

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

**APPLICATION OF COG OPERATING LLC,
TO MAKE PERMANENT THE SPECIAL RULES
ADOPTED UNDER ORDER R-13523 FOR THE
DODD GLORIETA UPPER YESO POOL AND
THE BURCH KEELY GLORIETA UPPER
YESO POOL, EDDY COUNTY, NEW MEXICO.**

2011/06/29 PM 2:53

FILED 6/29/11

**CASE NOS. 14669, 14670, 14758, and
14759 (Reopened)**

APPLICATION

COG Operating LLC, ("COG") applies for an order making permanent the Special Rules adopted by the Division under Order R-13523 for the Dodd Glorieta Upper Yeso Pool (Pool Code 97917) and the Burch Keely Glorieta Upper Yeso Pool (Pool Code 97918). In support of this application, COG states:

1. The Dodd Glorieta Upper Yeso Pool was created by Division R-12256-B, issued on February 10, 2012, and is limited to the areal extend of the Dodd Unit comprised of the following acreage:

TOWNSHIP 17 SOUTH. RANGE 29 EAST, NMPM

Section 10: E/2, E/2 W/2

Section 11: All

Section 14: All

Section 15: E/2.

Section 22: SE/4, SE/4 SW/4, E/2 NE/4, SW/4 NE/4

2. The Burch Keely Glorieta Upper Yeso Pool was created by Division Order R-10067-E, issued on February 10, 2012, and is limited to the areal extend of the Burch Keely Unit comprised of the following acreage:

TOWNSHIP 17 SOUTH. RANGE 29 EAST. NMPM

Section 12: SE/4 SE/4

Section 13: All

Sections 23 through 26: All

TOWNSHIP 17 SOUTH. RANGE 30 EAST. NMPM

Sections 18 and 19: All

Section 30: All

3. On March 12, 2012, the Division issued Order No. R-13523 establishing the following temporary Special Rules for the Dodd Glorieta Upper Yeso Pool and the Burch Keely Glorieta Upper Yeso Pool:

Rule 1: Each well completed or recompleted into these pools shall be spaced, drilled, operated, and produced in accordance with Division Rules or as otherwise specified in the Special Rules hereinafter set forth.

Rule 2: The allowable for a standard oil spacing and proration unit shall be based on a depth bracket allowable of 300 stock tank barrels of oil per day. In the event there is more than one well on a 40-acre proration unit, the operator may produce the allowable assigned to the unit from wells on the unit in any proportion.

Rule 3: As per Division Rule 19.15.20.13 NMAC, the limiting gasoil ratio within these pools is hereby set at 3000 standard cubic feet of gas per barrel of oil.

Rule 4: Oil well locations are pre-approved within these Pools, even if the location is otherwise unorthodox, except well locations within 330 feet of the Dodd Unit or Burch-Keely Unit boundaries or within 330 feet of any non-identically owned tract.

Rule 5: No more than four (4) vertical wells shall produce simultaneously from the Blinbry formation within any one standard sized oil spacing and proration unit.

Rule 6: No more than seven (7) vertical wells shall produce simultaneously from the Paddock formation within any one standard sized oil spacing and proration unit.

Rule 7: Each standard sized oil spacing and proration unit may have simultaneously up to seven (7) producing completions from vertical wells in the Paddock formation and four (4) producing completions from vertical wells in the Blinbry formation.

4. Under the terms of Division Order R-13523, these Special Rules are set to expire on September 1, 2014, unless extended or made permanent by an order of the Division in a case filed on or before that date.

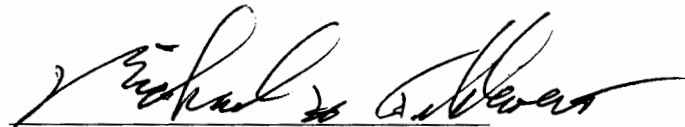
5. COG's production experience since the entry of Order No. R-13523 demonstrates that the Special Rules adopted by the Division for these two pools should be made permanent in order to promote development within these two pool, prevent waste and protect correlative rights.

6. Notice of this application will be provided to all division-designated operators within these two pools, as well as all division-designated operators of wells within the same formation as these pools within one mile of the pools' outer boundary in accordance with the Division's rules.

WHEREFORE, COG Operating LLC request that this application be set for hearing before an Examiner of the Oil Conservation Division on October 2, 2014, and that after notice has been given as required by law, the Division issue an order making permanent the Special Rules adopted by Order R-13523.

Respectfully submitted,

HOLLAND & HART, LLP



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

ATTORNEYS FOR COG OPERATING, LLC