

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. 14698
CASE NO. 14703
CASE NO. 14704
CASE NO. 14705

APPLICATIONS OF CIMAREX ENERGY COMPANY FOR COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO

CASE NO. 14725
CASE NO. 14726

APPLICATIONS OF COG OPERATING, LLC FOR NON-STANDARD
SPACING AND PRORATION UNITS AND COMPULSORY POOLING, EDDY
COUNTY, NEW MEXICO

ORDER NO. R-13490-A

ORDER OF THE DIVISION

BY THE DIVISION:

This case was heard by Division examiners on September 1 and September 29, 2011. On December 14, 2011, the Division Director issued Order No. R-13490, granting both parties' applications. On January 11, 2012, the parties filed their Joint Motion to Stay Order No. R-13490 and Reopen these Consolidated Cases ("the Joint Motion").

NOW, on this 12th day of January, 2012, 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 these cases.

(2) The time for filing a *de novo* appeal to the Oil Conservation Commission of Division Order No. R-13940 expires on January 13, 2012.

(3) Order No. R-13940 allows simultaneous drilling of wells by different operators in overlapping spacing units, and entails the possibility that strategic advantages will accrue to the operator who drills first, thus providing an incentive for each operator to proceed with drilling operations during the pendency of any *de novo* application to the Commission.

(4) Consideration of the issues raised in the Joint Motion prior to commencement of drilling operations will facilitate orderly development of these units, thereby preventing waste and protecting correlative rights

(5) Both parties seek a stay of Order No. R-13490 and reopening of this case at the Division level, in accordance with the Joint Motion.

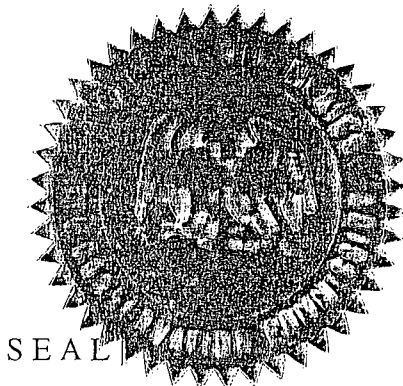
IT IS THEREFORE ORDERED THAT:

(1) Division Order No. R-13940 is hereby stayed and suspended pending further order of the Director.

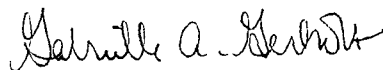
(2) Cases Nos. 14698, 14703, 14704, 14705, 14725 and 14726 are hereby reopened, and will be set for re-hearing at the next available examiner hearing.

(3) Jurisdiction of these cases 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


for JAMI BAILEY
Director