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

APPLICATION OF COG OPERATING LLC TO RE-OPEN CASE NO. 15376 TO AMEND THE WELL SURFACE LOCATION AND WELL ORIENTATION UNDER ORDER R-14072, EDDY COUNTY, NEW MEXICO.

APPLICATION

COG OPERATING LLC, ("COG") through its undersigned attorneys, hereby makes application to the Oil Conservation Division to amend the surface location and well orientation in Order R-14072. In support of its application, COG states:

1. Under Division Order R-14072, entered on November 3, 2015, the Division created a 160-acre non-standard spacing and proration unit in the Yeso formation (N. Seven Rivers; Glorieta-Yeso Pool (97565)) consisting of the W/2 W/2 of Section 11, Township 20 South, Range 25 East, NMPM, Eddy County, New Mexico, and pooled certain uncommitted mineral interest owners in this spacing and proration unit (the "Unit").

2. Under Order R-14072, the Unit was dedicated to COG's proposed Bone Yard 11 Fee No. 11H Well (API No. 30-015-43417), which was originally planned to be drilled as a South-North horizontal well at a surface location 10 feet from the South line and 130 feet from the West line (Unit M) to a standard terminus 330 feet from the North line and 330 feet from the West line (Unit D) of Section 11, Township 20 South, Range 25 East, NMPM, Eddy County, New Mexico. 3. Since the entry of Order R-14072, COG has changed the surface location and proposed orientation of the initial well due to surface constraints. This well will now be drilled as a North-South horizontal well from a surface location 120 feet from the North line and 170 feet from the West line (Unit D) to a standard terminus 330 feet from the South line and 330 feet from the West line (Unit M) of Section 11. The completed interval will remain within the Division's 330 foot statewide setbacks.

4. The completed interval, the pool, and the pooled parties have not changed and are subject to Order R-14072.

WHEREFORE, COG Operating LLC requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 21, 2016, and, after notice and hearing as required by law, the Division amend existing order R-14072 to reflect the correct surface location and well orientation for the dedicated well.

Respectfully submitted,

HOLLAND & HART, LLP

By

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ATTORNEYS FOR COG OPERATING LLC

CASE 15376 (re-opened): Application of COG Operating LLC To Re-Open Case No. 15376 To Amend The Well Surface Location and Well Orientation Under The Terms Of Compulsory Pooling Order R-14072, Eddy County, New Mexico. Applicant in the above-styled cause seeks to amend Division Order R-14072 to reflect the revised surface location and well orientation for the initial well to be dedicated to the 160-acre oil spacing and proration unit created by Order R-14072. The spacing unit consists of the W/2 W/2 of Section 11, Township 20 South, Range 25 East, NMPM Eddy County, New Mexico. Said unit will now be dedicated to the applicant's proposed Bone Yard 11 Fee No. 11H Well to be drilled from a surface location surface location 120 feet from the North line and 170 feet from the West line (Unit D) to a standard terminus 330 feet from the South line and 330 feet from the West line (Unit M) of Section 11. The completed interval will commence in Section 15 and remain within the standard setback required by the Division's rules. The subject area is located approximately 6.5 mile southwest of Lakewood, New Mexico.