

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Dave Martin
Cabinet Secretary

Tony Delfin
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



April 18, 2016

Ocean Munds-Dry, Esq.
Senior Attorney for COG Operating LLC
1048 Paseo De Peralta
Santa Fe, New Mexico 87501

Re: **Request for Extension of Time to Complete Well**
Goose State Well No. 2H (30-025-41201)
Division Order No. R-14095 (Case No. 15415)

Dear Ms. Munds-Dry:

The Oil Conservation Division (OCD) received your letter regarding the referenced subject on April 14, 2016. It is our understanding that COG Operating LLC is obtaining surface permits, constructing completion facilities, and intends to complete the well as soon as possible.

The OCD has reviewed your request and hereby extends the deadline to commence completion stated in the compulsory pooling order date to calendar date October 1, 2016.

If you have any question, please contact William V. Jones at williamv.jones@state.nm.us or call (505)-476-3477.

Sincerely;

A handwritten signature in dark ink, appearing to read "David R. Catanach", is written over a horizontal line.

DAVID R. CATANACH
Director

DRC/wvjj

Cc: Oil Conservation Division – Hobbs District Office
Case file 15415



OCEAN MUNDS-DRY
Senior Attorney

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April 14, 2016

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VIA EMAIL: florene.davidson@state.nm.us

Mr. David Catanach, Director
Oil Conservation Division
New Mexico Department of Energy, Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Order No. R-14095/Case No. 15415: Application of COG Operating LLC for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.

Dear Mr. Catanach:

Division Order No. R-14095 granted COG Operating LLC's application for a non-standard spacing unit and compulsory pooling on December 14, 2015. The order authorized the drilling of COG's Goose State Well No. 2H at a location in the W/2 W/2 of Section 32, Township 20 South, Range 34 East and Lot 1, Lot 8, Lot 9 and Lot 16 of Irregular Section 5, Township 21 South, Range 33 East, NMPM, Lea County, New Mexico. A copy of the order is enclosed for your convenience.

Ordering Paragraph 6 of Order No. R-14095 requires COG to drill and complete the well within 120 days or the Order will terminate unless COG obtains a time extension from the Division Director for good cause shown. COG spud the well on January 3, 2016 and completed drilling on February 7, 2016. Unfortunately, COG has been unable to begin completion operations on the well. COG plans to construct a frac pond nearby and must obtain a business lease from the New Mexico State Land Office (NMSLO). The NMSLO requires COG to get approval from the grazing lessee where the frac pond is proposed to be located. COG has been unable to get the grazing lessee's approval as of yet but is working diligently to do so. The primary term of the lease where the well is located will expire July 1, 2016. Since COG will need to have the well completed by the primary term deadline, COG respectfully requests an extension until July 1, 2016 to complete the Goose State Well No. 2H.

Thank you for your time and attention to this matter.

Sincerely,


Ocean Munds-Dry
Senior Attorney

OMD:mho
Enclosure

CORPORATE ADDRESS

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