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

AMENDED APPLICATION OF COG OPERATING LLC, TO RE-OPEN CASEINO. 15023 TO POOL THE INTERESTS OF ADDITIONAL MINERAL OWNERS-UNDER THE TERMS OF COMPULSORY POOLING ORDER R-13757, EDDY COUNTY, NEW MEXICO.

CASE NO. 15023 (regopened)

<u>APPLICATION</u>

COG OPERATING LLC, ("COG") through its undersigned attorneys, submits this amended application to the Oil Conservation Division to pool the interests of additional mineral owners within the Penasco Draw-San Andres-Yeso (Associated) Pool under the terms of compulsory pooling orders R-13757. Order R-13757 created a non-standard spacing and proration unit comprised of the E/2 W/2 of Section 6, Township 19 South, Range 26 East, NMPM in Eddy County, New Mexico, and pooled the mineral interests in the Yeso formation underlying said unit. In support of its application, COG states:

- 1. Under Division Order R-13757, entered on October 4, 2013, the Division created a 159.67-acre, more or less, non-standard spacing and proration unit in the Yeso formation (Penasco Draw-San Andres-Yeso (Associated) Pool (50270)) consisting of the E/2 W/2 of Section 6, Township 19 South, Range 26 East, NMPM, Eddy County, New Mexico, and pooled certain uncommitted mineral interest owners in this spacing and proration unit ("the Unit").
- 2. Order R-113757 dedicated the non-standard spacing and proration unit to the Arabian 6 Fee Well No. 6H Well (API No. 30-015-39625), which was drilled from a surface location 183 feet from the South line and 2,267 feet from the West line (Unit N) of Section 6, to a standard bottomhole location 330 feet from the North line and 2,177 feet from the West line (Lot 3) of Section 6.

3. Multiple additional mineral interest owners are no longer committed to the Arabian 6 Fee Well No. 6H Well due to a lease expiration issue and termination of a Joint Operating Agreement that occurred after the entry of Order R-13757.

4. COG also seeks to pool the San Andres formation within the Unit, in addition to the Yeso formation, within the Penasco Draw-San Andres-Yeso (Associated) Pool (50270).

5. The pooling of additional mineral interest owners and formations under the terms of Division Order R-13757 will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

6. In order to obtain COG'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 orders R-13757.

WHEREFORE, COG Operating LLC requests that this amended application be set for hearing before an Examiner of the Oil Conservation Division on August 4, 2016, and, after notice and hearing as required by law, the Division enter an amended order pursuant to the terms of existing Division Order R-13757.

Respectfully submitted,

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Readvertised

CASE 15023 (re-opened): Amended Application of COG Operating LLC To Re-Open Case No. 15023 To Pool The Interests Of Additional Mineral Owners Under The Terms Of Compulsory Pooling Order R-13757, Eddy County, New Mexico. Applicant in the above-styled cause seeks to amend Division Order R-13757 to include the pooling of additional mineral interests in the Yeso and San Andres formations (Penasco Draw-San Andres-Yes (Associated) Pool (50270)) consisting of the E/2 W/2 of Section 6, Township 19 South, Range 26 East, NMPM, Eddy County, New Mexico. Said unit is dedicated to the applicant's Arabian 6 Fee No. 6H Well and is located approximately 8 miles Southwest of Dayton, New Mexico.