



**MONTGOMERY
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March 1, 2010

HAND DELIVERED

Florene Davidson
New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

**Re: NMOCD Case No. 14447, Application of COG Operating LLC for
Compulsory Pooling (Yale State Well No. 3), Eddy County, New Mexico**

Dear Ms. Davidson:

Enclosed for filing are the original and one copy of the Application of COG Operating LLC in the above-referenced matter.

On behalf of the Applicant, we ask that this matter be set for examiner hearing on April 1, 2010. A proposed advertisement is also enclosed.

Very truly yours,

J. Scott Hall

JSH/mbb

Enclosures

cc: Brent Robertson and Stuart Dirks, Concho Resources

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REPLY TO:

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

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IN THE MATTER OF THE
APPLICATION OF COG OPERATING LLC
FOR COMPULSORY POOLING
EDDY COUNTY, NEW MEXICO

CASE NO. 14447

APPLICATION

COG Operating LLC by its undersigned attorneys, Montgomery & Andrews, P.A. (J. Scott Hall) hereby makes application pursuant to NMSA 1978 Section 70-2-17 (1995) for an order pooling all interests in all formations developed on a 40-acre basis, including the Blinebry and Paddock members of the Glorieta-Yeso formation, underlying the SE/4 SW/4 of Section 2, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico, to form a standard 40-acre spacing and proration unit. Applicant would show the Division:

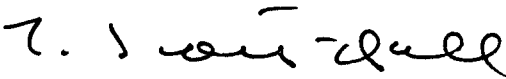
1. Applicant owns certain working interests in and under the SE/4 SW/4 of Section 2, and has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced pooled unit to its Yale State No. 3 Well to be drilled from a standard location 330' from the South line and 1650' from the West line to a depth sufficient to test the Blinebry and Paddock members of the Glorieta-Yeso formation underlying the SE/4 SW/4 of Section 2, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico.
3. Applicant has been unable to obtain leases or voluntary agreement for pooling or farmout from certain other interest owners in the above-referenced formations underlying the SE/4 SW/4 of said Section 2.

4. In order to permit the Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral interests should be pooled and Applicant should be designated operator of the well.

5. The pooling of interests will afford the Applicant the opportunity to produce its just and equitable share of hydrocarbons underlying the spacing unit, will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

WHEREFORE Applicant requests that this Application be set for hearing before a duly appointed examiner of the Oil Conservation Division on April 1, 2010 and that after notice and hearing as required by law, the Division enter its Order pooling the lands and designating Applicant as operator of the well, including provisions for Applicant to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling and after completion, including overhead charges and providing for adjustments to such rates in accordance with accepted COPAS accounting procedures, and imposing a 200% risk factor for the risk assumed by the Applicant in drilling, completing and equipping the well, and making such other and further provisions as maybe proper in the premises.

MONTGOMERY & ANDREWS, P.A.

By: 
J. Scott Hall
Attorneys for COG Operating LLC
Post Office Box 2307
Santa Fe, New Mexico 87504-2307
(505) 982-3873

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Proposed Advertisement

Case No. 14447; **Application of COG Operating LLC for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests underlying the SE/4 SW/4 of Section 2, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico, to form standard 40-acre spacing units for any and all formations and or pools developed on 40-acres, including but not necessarily limited to the Blinbry and Paddock members of the Glorieta-Yeso formation. Said units are to be dedicated to Applicant's proposed Yale State No. 3 Well to be drilled at a standard location 330' from the South line and 1650' from the West line of Section 2. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the well and a charge for risk involved in drilling the well. The proposed well location is approximately 9 miles northeast of Loco Hills, New Mexico.

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