

**STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES**

**APPLICATION OF COTERRA ENERGY OPERATING CO.  
FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO**

**CASE NO.**

**APPLICATION**

Pursuant to NMSA § 70-2-17, Coterra Energy Operating Co. (formerly known as Cimarex Energy Co.) (“Applicant”) (OGRID No. 215099), through its undersigned attorney, hereby files this Application with the Oil Conservation Division of the State of New Mexico (“Division”) for an order (1) creating a 640.00-acre, more or less, standard horizontal well spacing unit comprised of the E/2 of Section 23, and the E/2 of Section 26, located in Township 25 South, Range 26 East, NMPM, Eddy County, New Mexico (“Unit”), and (2) pooling all uncommitted interest within an interval of the Bone Spring Formation from the top of the Bone Spring formation to the correlative stratigraphic equivalent of 7,680 feet measured depth as shown in the dual laterolog of the Wigeon 23 Federal Com 2 (API# 30-015-33684), designated as an oil pool (Pool Code 97916), underlying said Unit. Applicant also seeks, to the extent necessary, approval of an overlapping spacing unit. In support of its Application, Applicant states the following:

1. Applicant is a working interest owner in the Unit and has the right to drill thereon.
2. Applicant seeks to dedicate the above-referenced Unit to the following wells, referred to collectively as the Wells:
  - a. **Wigeon 23-26 Federal Com 3H**, which is an oil well that will be horizontally drilled from a surface hole location in the E/2 of Section 23, Township 25 South, Range 26 East, to a bottom hole location in the E/2 of Section 26, Township 25 South, Range 26 East;
  - b. **Wigeon 23-26 Federal Com 5H**, which is an oil well that will be horizontally drilled from a surface hole location in the E/2 of Section 23, Township 25 South, Range 26 East, to a bottom hole location in the E/2 of Section 26, Township 25 South, Range 26 East;

3. The completed interval of the Wells will be orthodox and remain within 330-feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed Unit under NMAC 19.15.16.15(B)(1)(6).
4. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Wells but has been unable to obtain voluntary agreements from all interest owners.
5. The approval of this Unit and pooling of uncommitted interests within the Unit will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.
6. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the Unit should be pooled and Applicant should be designated the operator of the Wells and Unit.

WHEREFORE, Applicant requests this Application be set for hearing March 13, 2025, and that after notice and hearing, the Division enter an order

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Wells in the Unit;
- C. Designating Applicant as operator of the Unit and the Wells;
- D. Authorizing Applicant to recover its costs of drilling, equipping and completing the Wells;
- E. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% penalty for the risk assumed by Applicant in drilling and completing the Wells against any working interest owner who does not voluntarily participate in the drilling of the Wells.

Respectfully submitted,

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