

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

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

CASE NO. _____

APPLICATION

Coterra Energy Operating Co. ("Coterra"), OGRID Number 215099, through its undersigned attorneys, hereby submits this application to the Oil Conservation Division pursuant to the provisions of NMSA (1978), Section 70-2-17, for an order pooling all uncommitted mineral interests within a standard 640-acre, more or less, Wolfcamp spacing unit comprised of the W/2 of Sections 29 and 32, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico.

In support of this application, Coterra states as follows:

1. Coterra has an interest in the subject lands and has a right to drill and operate a well thereon.
2. Coterra seeks to dedicate the W/2 of Sections 29 and 32, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico to form a 640-acre, more or less, Wolfcamp horizontal spacing unit in the Purple Sage Wolfcamp Gas Pool (Code 98220).
3. Coterra seeks to dedicate the unit to the following wells:
 - a. **Southern Hills 32-29 Fed Com #2H** well with a proposed surface hole location in the SE/4 SW/4 (Unit N) of Section 32 and proposed bottom hole location in the NW/4 NW/4 (Unit D) of Section 29; and
 - b. **Southern Hills 32-29 Fed Com #4H** and the **Southern Hills 32-29 Fed Com #6H** wells with proposed surface hole locations in the SE/4 SW/4 (Unit N) of

Section 32 and proposed bottom hole locations in the NE/4 NW/4 (Unit C) of Section 29.

4. The wells will be horizontally drilled. These wells will be located within the Purple Sage Wolfcamp Gas Pool (Code 98220), which is subject to special pool rules that establish 330-foot setback requirements.

5. These wells will comply with the Division's setback requirements for this pool except the wells will have non-standard last take points. Coterra has applied administratively for non-standard location ("NSL") approval for the wells and has received approved NSL orders for two of the three wells and is anticipating approval of the third NSL order.

6. Coterra sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Wolfcamp formation underlying the proposed spacing unit to participate in the drilling of the wells or to otherwise commit their interests to the wells.

7. The pooling of all interests in the Wolfcamp formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, Coterra requests that this case is set for hearing before an Examiner of the Oil Conservation Division on May 8, 2025, and after notice and hearing as required by law, the Division enter its order:

A. Pooling all uncommitted mineral interests in the Wolfcamp formation underlying a horizontal spacing unit within the W/2 of Sections 29 and 32, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico;

B. Designating Coterra as operator of this unit and the wells to be drilled thereon;

C. Authorizing Coterra to recover its costs of drilling, equipping and completing the wells;

D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure;

E. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

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CASE NO. ____: Application of Coterra Energy Operating Co. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted interests within a standard 640-acre, more or less, Wolfcamp horizontal spacing unit comprised of the W/2 of Sections 29 and 32, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the following wells: **Southern Hills 32-29 Fed Com #2H** well with a proposed surface hole location in the SE/4 SW/4 (Unit N) of Section 32 and proposed bottom hole location in the NW/4 NW/4 (Unit D) of Section 29; and **Southern Hills 32-29 Fed Com #4H** and the **Southern Hills 32-29 Fed Com #6H** wells with proposed surface hole locations in the SE/4 SW/4 (Unit N) of Section 32 and proposed bottom hole locations in the NE/4 NW/4 (Unit C) of Section 29. The wells will be horizontally drilled and will have non-standard last take points. Applicant has applied for administrative approval of the non-standard locations. Also to be considered will be the cost of drilling, completing, and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Coterra Energy Operating Co. as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 14 miles southwest of Loving, New Mexico.