

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

**APPLICATION OF COG OPERATING LLC
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. _____

APPLICATION

COG Operating LLC (“COG” or “Applicant”) (OGRID No. 229137), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interest owners in a portion of the Bone Spring formation, from the top of the Third Bone Spring to the base of the Bone Spring formation, underlying a standard 480-acre, more or less, horizontal well spacing unit comprised of the SE/4 of Section 3 and the E/2 of Section 10, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico. In support of this application, COG states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the **Montera Federal Com #603H** well, to be horizontally drilled from a surface location in the N/2 NE/4 of Section 15, with a first take point in the S/2 SE/4 of Section 10 and last take point in the N/2 SE/4 of Section 3.
3. The completed interval of the well is expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed horizontal spacing unit under 19.15.16.15.B(1)(b) NMAC.

4. COG has an agreement with another operator that will be developing the Upper Bone Spring; therefore, COG only seeks to pool the Third Bone Spring. COG seeks to pool the Third Bone Spring formation, from the top of the Third Bone Spring formation to the base of the Bone Spring formation, from the top of the Third Bone Spring to the base of the Bone Spring formation, to the stratigraphic equivalent the stratigraphic equivalent of 11,164 feet as referenced from the Oxy Banana Girl Federal 2, (API #: 30-025-35322), located in Section 10, Township 25 South, Range 35 East, Lea County, New Mexico. Ownership is uniform in the Bone Spring and there is no depth severance.

5. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all interest owners in the subject spacing unit.

6. The pooling of interests in the proposed horizontal well spacing unit will allow Applicant to obtain a just and fair share of the oil and gas underlying the subject lands, 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 an Examiner of the Oil Conservation Division on May 8, 2025, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interest owners in the horizontal spacing unit;
- B. Designating Applicant as operator of this spacing unit and the horizontal well to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, completing, and equipping the well;

- D. 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
- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

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ATTORNEYS FOR COG OPERATING LLC

CASE _____: **Application of COG Operating LLC for Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in a portion of the Bone Spring formation, from the top of the Third Bone Spring to the base of the Bone Spring formation, underlying a standard 480-acre, more or less, horizontal well spacing unit comprised of the SE/4 of Section 3 and the E/2 of Section 10, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the **Montera Federal Com #603H** well, to be horizontally drilled from a surface location in the N/2 NE/4 of Section 15, with a first take point in the S/2 SE/4 of Section 10 and last take point in the N/2 SE/4 of Section 3. The completed interval of the well is expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed horizontal spacing unit under 19.15.16.15.B(1)(b) NMAC. Said area is located approximately 9 miles northwest of Jal, New Mexico.