

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

**APPLICATION OF COG OPERATING LLC
FOR COMPULSORY POOLING AND APPROVAL
OF OVERLAPPING SPACING UNIT,
EDDY COUNTY, NEW MEXICO,**

CASE NO. _____

APPLICATION

In accordance with NMSA 1978, § 70-2-17 and NMAC 19.15.16.15(B)(9), COG Operating LLC (“COG” or “Applicant”), through its undersigned attorneys, files this application with the Oil Conservation Division (“Division”) seeking an order pooling all uncommitted interests in the Bone Spring formation underlying a 640-acre, more or less, standard horizontal spacing unit comprised of E/2 Sections 6 and 7, Township 26 South, Range 29 East, Eddy County, New Mexico (“Unit”), and approval of the overlapping spacing unit. In support of this application, COG states the following.

1. Applicant (OGRID No. 229137) is a working interest owner in the Unit and has the right to drill thereon.
2. Applicant seeks to dedicate the Unit to the following proposed wells (“Wells”):
 - a. **Pudge Federal Com 500H** well, which will be drilled from a surface hole location in the SE/4SW/4 (Unit N) Section 31, Township 25 South, Range 29 East, to a bottom hole location in the SE/4SE/4 (Unit P) Section 7, Township 26 South, Range 29 East, and produce from a first take point in the NE/4NE/4 (Unit A) Section 6, Township 26 South, Range 29 East, to a last take point in the SE/4SE/4 (Unit P) of Section 7, Township 26 South, Range 29 East; the 500H well is the defining well for the Unit;

- b. **Pudge Federal Com 501H** well, which will be drilled from a surface hole location in the SE/4SW/4 (Unit N) Section 31, Township 25 South, Range 29 East, to a bottom hole location in the SW/4SE/4 (Unit O) Section 7, Township 26 South, Range 29 East, and produce from a first take point in the NW/4NE/4 (Unit B) Section 6, Township 26 South, Range 29 East, to a last take point in the SW/4SE/4 (Unit O) of Section 7, Township 26 South, Range 29 East;
3. There is not a depth severance in the Bone Spring formation within the Unit.
4. The pool and pool code for the lands in the Unit are the Red Bluff; Bone Spring, South Pool [Pool Code 51010] which is an oil pool.
5. The completed intervals of the Wells will be orthodox.
6. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all of certain overriding royalty interest owners and record title owners in the Unit.
7. The pooling of interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.
8. The proposed Unit will partially overlap with the spacing unit for the following pre-existing well:

Pudge Federal No. 21H

API No. 30-015-45045

Operated by COG Operating LLC

Producing Spacing Unit: E/2E/2 Section 6, Township 26 South, Range 29 East

Producing Formation: Rock Spur-Bone Spring

9. Applicant requests the Division approve its overlapping spacing unit.

10. In order to permit 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 proposed horizontal wells and the Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on August 7, 2025, and, after notice and hearing as required by law, the Division enter an order:

- A. Approving the proposed overlapping spacing unit;
- B. Pooling all uncommitted interests in the Unit;
- C. Approving the initial wells in the Unit;
- D. Designating Applicant as the operator of the Unit and the horizontal wells to be drilled thereon.

Respectfully submitted,

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CASE _____: Application of COG Operating LLC for Compulsory Pooling and Approval of Overlapping Spacing Unit, Eddy County, New Mexico. Applicant in the above-style cause seeks an order pooling a 640-acre, more or less, standard horizontal spacing unit in the Bone Spring Formation comprised of E/2 Sections 6 and 7, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico initially dedicated to the proposed Pudge Federal Com 500H and Pudge Federal Com 501H wells to be horizontally drilled as follows:

Pudge Federal Com 500H well, which will be drilled from a surface hole location in the SE/4SW/4 (Unit N) Section 31, Township 25 South, Range 29 East, and produce from a first take point in the NE/4NE/4 (Unit A) Section 6, Township 26 South, Range 29 East, to a bottom hole located 50' FSL & 969' FEL Section 7, Township 26 South, Range 29 East, in Eddy County, New Mexico.

Pudge Federal Com 501H well, which will be drilled from a surface hole location in the SE/4SW/4 (Unit N) Section 31, Township 25 South, Range 29 East, and produce from a first take point in the NW/4NE/4 (Unit B) Section 6, Township 26 South, Range 29 East, to a bottom hole located 50' FSL and 2,318' FEL Section 7, Township 26 South, Range 29 East, in Eddy County, New Mexico.

The spacing unit for these wells will overlap with the spacing unit for the **Pudge Federal Com No. 21H** (API No. 30-015-45045) in E/2E/2 Section 6, Township 26 South, Range 29 East, NMPM. Applicant requests approval of the overlapping spacing unit. The subject area is approximately 26 miles east of Carlsbad, New Mexico.