

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

**APPLICATION OF COTERRA ENERGY CO. FOR  
THE CREATION OF A SPECIAL POOL, A WOLFBONE POOL,  
PURSUANT TO ORDER NO. R-23132, TO REOPEN  
CASE NOS. 22853 AND 23295 AND TO APPROVE A  
POOLING APPLICATION FOR THE WOLFBONE POOL,  
LEA COUNTY, NEW MEXICO.**

**Case No. 24721**

**APPLICATION OF PRIDE ENERGY COMPANY FOR  
CREATION OF A SPECIAL WOLFBONE OIL POOL IN  
PARTS OF SECTION 12 AND 13, TOWNSHIP 19  
SOUTH RANGE 34 EAST, NMPM,  
LEA COUNTY, NEW MEXICO**

**Case No. 24736**

**APPLICATION OF PRIDE ENERGY COMPANY  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

**Case No. 22853**

**APPLICATION OF COTERRA ENERGY CO. FOR A  
HORIZONTAL SPACING UNIT AND COMPULSORY  
POOLING, LEA COUNTY, NEW MEXICO**

**Case No. 23295  
Order No. R-23132  
Order No. R-23752**

**ORDER GRANTING IN PART UNOPPOSED MOTION TO SUBMIT UPDATED  
POOLING APPLICATIONS AND CLOSING ARGUMENTS AND  
DENYING REQUEST TO REASSIGN HEARING EXAMINER**

This matter comes before the Oil Conservation Division's Hearing Examiner on Coterra Energy Operating Co.'s ("Coterra") Unopposed Motion Requesting Leave to Submit an Allocation Formula and Requesting Review of the Legal Necessity to Utilize an Allocation Formula When Producing the Wolfbone Pool. The Hearing Examiner, having reviewed the

motion, the previous order granting the joint motion to submit new applications and closing arguments, and being fully advised in the premises, issues the following Order.

### **FINDINGS OF FACT**

1. On March 25, 2025, the Division issued an "ORDER GRANTING UNOPPOSED MOTION FOR SUBMITTING UPDATED POOLING APPLICATIONS AND CLOSING ARGUMENTS" in Case Nos. 24721, 24736, 22853, and 23295. This order stipulated that if the final order granted the special pool application, the parties "shall submit updated applications within 30 days of the order's entry, incorporating the impact of the Wolfbone Pool in their revised closing arguments".
2. The Oil Conservation Division ("OCD") issued Order No. R-23752 on April 1, 2025, formally creating the Scharb, Wolfbone Pool (Pool Code 98397).
3. Coterra and Pride Energy Company ("Pride") missed the email notification of Order No. R-23752, consequently missing the 30-day deadline to submit their updated pooling applications and closing arguments.
4. Coterra seeks leave to submit updated pooling applications that include an allocation formula and updated closing arguments that address the impact of the allocation formula and the creation of the Wolfbone Pool.
5. Coterra argues that an allocation formula is legally necessary to protect correlative rights and prevent an unconstitutional taking of hydrocarbons due to the unique geology of the Wolfbone Pool, which has both "open communication" between intervals and "non-uniform ownership across a depth severance".

6. The motion is unopposed by all named parties, including Pride Energy Company, Chevron U.S.A., Inc., ConocoPhillips Company, COG Operating LLC, Concho Oil & Gas, LLC, and Marathon Oil Permian LLC.
7. Coterra also requested that the former Hearing Examiner, who presided over the original contested hearings in Case Nos. 22853 and 23295 on July 20, 2023, be reassigned to rule on this and subsequent matters in these contested cases.

### **CONCLUSIONS OF LAW**

1. The Division has the authority to grant extensions for filing documents when good cause is shown, and it serves the interests of justice and the protection of correlative rights.
2. The unintentional missing of the deadline by the parties, while a procedural oversight, should not preclude the Division from considering substantive issues vital to the protection of correlative rights and the prevention of waste, especially given the unopposed nature of the request for leave to file.
3. The request for leave to submit updated pooling applications and closing arguments with allocation formulas is necessary to fully address the legal complexities arising from the creation of the Wolfbone Pool (Order No. R-23752) and the protection of correlative rights, consistent with the purposes of the New Mexico Oil and Gas Act.
4. While continuity in adjudication is generally beneficial, the assignment of hearing examiners is an administrative matter within the discretion of the Division Director. No compelling legal basis has been presented that would mandate the

reassignment of a former hearing examiner against the Division's current administrative practices or the current examiner's stated preferences.

### **ORDER**

IT IS THEREFORE ORDERED that:

Coterra Energy Operating Co.'s Unopposed Motion Requesting Leave to Submit an Allocation Formula and Requesting Review of the Legal Necessity to Utilize an Allocation Formula When Producing the Wolfbone Pool is hereby **GRANTED IN PART**.

Coterra Energy Operating Co. and Pride Energy Company are granted leave to submit their updated pooling applications containing an allocation formula and revised closing arguments in Case Nos. 22853 and 23295.

The parties shall submit their updated pooling applications and revised closing arguments within **seven (7) business days** from the date of this Order.

The request to reassign the former Hearing Examiner to rule on this and subsequent matters in these contested cases is hereby **DENIED**. The currently assigned Hearing Examiner shall continue to preside over these matters.

**DATED this 30th day of July, 2025.**

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**GREGORY CHAKALIAN**  
**OCD HEARING EXAMINER**