

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

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

**CASE NO. \_\_\_\_\_**

**APPLICATION**

COG OPERATING, LLC (COG), through its undersigned attorneys, hereby makes application to the Oil Conservation Division pursuant to the provisions of N.M. Stat. Ann. § 70-2-17, for an order pooling all uncommitted interests in the Wolfcamp formation, Purple Sage-Wolfcamp Gas Pool, in the 767.57-acre, more or less, standard horizontal spacing unit comprised of the E/2 of Sections 20 and 29 and the N/2 NE/4 and Lots 3 and 4 of irregular Section 32, Township 26 South, Range 28 East, NMPM, Eddy County, New Mexico. In support of its application, COG states:

1. COG Operating LLC (OGRID No. 229137) is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. COG seeks to dedicate the above referenced horizontal spacing unit to the proposed **Honey Graham State Com 701H Well** to be horizontally drilled to a depth sufficient to test the Wolfcamp formation with the first take point for this well in Unit A (NE/4NE/4) of Section 20 and the last take point in Lot 4 of Section 32.
3. The subject well has been placed in the Purple Sage-Wolfcamp Gas Pool (Pool Code 98220) and pursuant to the Special Pool Rules for this pool (Division Order No. R-14262) each take point in this well is located at a legal well location.

4. Because the proposed well will be simultaneously drilled and completed with other wells located in these sections, COG requests an extension of the time to drill and complete the initial well from 120 days to 365 days.

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

6. The requested pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

7. To permit COG to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled and COG Operating, LLC should be designated the operator of the proposed horizontal well and the proposed spacing unit.

WHEREFORE, COG Operating, LLC requests that this application be set for hearing before an examiner of the Oil Conservation Division on December 12, 2019, and after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in this horizontal spacing unit;
- B. Approving the initial horizontal well in the spacing unit;
- C. Authorizing an extension of the 120-day requirement to drill to 365-days to drill and complete the well.
- D. Designating COG Operating, LLC operator of this spacing unit and the horizontal well to be drilled thereon;
- E. Authorizing COG to recover its costs of drilling, equipping and completing the well;
- F. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting these rates pursuant to the COPAS accounting procedures; and

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

Respectfully submitted,

**COG OPERATING LLC**

By: 

William F. Carr  
Ocean Munds-Dry  
Elizabeth A. Ryan  
Michael Rodriguez  
1048 Paseo de Peralta  
Santa Fe, New Mexico 87501  
(505) 780-8000  
(505) 428-0485 Facsimile  
[wcarr@concho.com](mailto:wcarr@concho.com)  
[omunds-dry@concho.com](mailto:omunds-dry@concho.com)  
[eryan@concho.com](mailto:eryan@concho.com)  
[mrodriguez@concho.com](mailto:mrodriguez@concho.com)

**ATTORNEYS FOR COG OPERATING LLC**

**CASE \_\_\_\_:** **Application of COG Operating, LLC for compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Wolfcamp formation, Purple Sage-Wolfcamp Gas Pool (Pool Code 98220) underlying the 767.57-acre, more or less, horizontal spacing unit comprised of the E/2 of Sections 20 and 29 and the N/2NE/4 and the Lots 3, and 4 of irregular Section 32, Township 26 South, Range 28 East, NMPM, Eddy County, New Mexico. This horizontal spacing unit will be dedicated to the proposed **Honey Graham State Com 701H Well** to be horizontally drilled to a depth sufficient to test the Wolfcamp formation with the first take point for this well in Unit A (NE/4NE/4) of Section 20 and the last take point in Lot 4 of Section 32.

All take points in this well shall be at legal locations pursuant to the rules of the Purple Sage-Wolfcamp Gas Pool. Also to be considered will be approval of an extension of the time for drilling and completion of the initial well on this horizontal spacing unit, the cost of drilling and completing this well and the allocation of the costs thereof, as well as actual operating costs and charges for supervision, designation of COG Operating, LLC as operator of the well and horizontal well unit, and a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 4 miles west-northwest of the intersection of U. S. Highway 285 with the New Mexico-Texas border.