

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

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

CASE NO. 26134

APPLICATION

Pursuant to NMSA 1978, Section 70-2-17, COG Operating LLC (OGRID No. 229137) (“COG” or “Applicant”) applies for an order pooling all uncommitted interests in the Bone Spring formation, underlying an 1,086.25-acre, more or less, non-standard, overlapping, horizontal spacing unit comprised of Section 18 (Lots 1–4 and E/2 W/2), Section 19 (Lots 1–3, SW/4 NW/4, and E/2 W/2), Section 30 (Lots 1–4 and E/2 W/2), and Section 31 (N/2 NW/4 and Lots 3–4), Township 26 South, Range 26 East, Eddy County, New Mexico (“Unit”). In support of this application, COG states the following.

1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.
2. The Unit will be dedicated to the following wells (“Wells”):
 - a. **Uni Roll Federal Com 521H**, which will be drilled from a surface hole location in the NW/4 NW/4 (Unit D) of Section 31, to a bottom hole location in Lot 2 of Section 18; and
 - b. **Uni Roll Federal Com 522H**, which will be drilled from a surface hole location in the NW/4 NW/4 (Unit D) of Section 31, to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 18.
3. The completed interval of the Wells will be orthodox.

4. Applicant also requests approval of a non-standard horizontal spacing unit pursuant to 19.15.16.15(B)(5) NMAC.

5. The spacing unit for the Wells will partially overlap with the existing 382.98-acre spacing unit consisting of the E/2 W/2 of Section 19, the E/2 W/2 of Section 30, and the NE/4 NW/4 and Lot 3 of Section 31, Township 26 South, Range 26 East, Eddy County, New Mexico, dedicated to the Yellow Fin Federal Com 2H well (API No. 30-015-41129), which produces from the WC-015 G-04 S262619C; LWR BONE SPRING Pool (Code 98005).

6. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Wells but has been unable to obtain voluntary agreements from all interest owners.

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

8. In order to allow 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 as the operator of the Wells and Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on June 4, 2026, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Wells in the Unit;
- C. Approving the non-standard spacing unit;
- D. Approving the overlapping spacing unit;
- E. Designating Applicant as operator of the Unit and the Wells to be drilled thereon;

- F. Authorizing Applicant to recover its costs of drilling, equipping and completing the Wells;
- G. 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
- H. Imposing a 200% penalty for the risk assumed by Applicant in drilling and completing the Wells against any working interest owner who does not voluntarily participate in the drilling of the Wells.

Respectfully submitted,

HARDY MCLEAN LLC

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