

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

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

CASE NO. 20419

APPLICATION

COG Operating LLC (“COG”), through its undersigned attorneys, hereby files this ~~amended~~ application with 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) underlying a 768.56-acre, more or less, standard horizontal spacing unit comprised of the W/2 of Sections 19, 30 and 31, 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 following proposed initial wells:

- The **Way South State Com 706H** well to be horizontally drilled from a surface location in the SW/4 NE/4 (Unit G) of Section 31 to a bottom hole location in NE/4 NW/4 (Unit C) of Section 19; and
- The **Way South State Com No. 709H** and **Way South State Com No. 710H** wells to be horizontally drilled from a surface location in the SW/4 NW/4 (Unit E) of Section 31 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 19.

3. Because the proposed wells will be simultaneously drilled and completed, COG requests an extension of the time period to drill and complete the initial well from 120 days to 365 days.

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

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

6. In order 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 this proposed horizontal well and spacing unit.

WHEREFORE, COG requests that this amended application be set for hearing before an Examiner of the Oil Conservation Division on May 2, 2019, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit and approving the initial wells thereon;
- B. Authorizing an extension of the 120-day requirement to drill and complete the initial well;
- C. Designating COG Operating LLC operator of this spacing unit and the horizontal wells to be drilled thereon;
- D. Authorizing COG to recover its costs of drilling, equipping and completing the well;

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

Respectfully submitted,

HOLLAND & HART LLP

By:  _____

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ATTORNEYS FOR COG OPERATING LLC

CASE 20418

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) underling a 768.56-acre, more or less, standard horizontal spacing unit comprised of the W/2 of Sections 19, 30 and 31, Township 26 South, Range 28 East, NMPM, Eddy County, New Mexico. This standard horizontal spacing unit will be initially dedicated to the following proposed wells:

- The **Way South State Com 706H** well to be horizontally drilled from a surface location in the SW/4 NE/4 (Unit G) of Section 31 to a bottom hole location in NE/4 NW/4 (Unit C) of Section 19; and
- The **Way South State Com No. 709H** and **Way South State Com No. 710H** wells to be horizontally drilled from a surface location in the SW/4 NW/4 (Unit E) of Section 31 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 19.

Also, to be considered will be an extension of the timeframe to drill and complete the initial well, the cost of drilling and completing the wells, the allocation of the costs thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of a 200% charge for risk involved in drilling and completing the wells. Said area is located approximately 14 miles southwest of Malaga, New Mexico.