

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

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

CASE NO. 20417

AMENDED 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 Bone Spring formation (WC-025 G-08 S213304D; Bone Spring Pool (97895)) underlying a 320-acre standard horizontal spacing unit comprised of the W/2 W/2 of Sections 9 and 16, Township 21 South, Range 33 East, Lea 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 **Boone 16 State Com 4H** well to be drilled from a surface hole location in the NW/4 NW/4 (Unit D) of Section 21 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 9.
3. COG has sought and been unable to obtain voluntary agreement for the development of these lands from all the working interest owners in the subject spacing unit.
4. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.
5. 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 16, 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 well;
- B. Designating COG Operating LLC operator of this spacing unit and the horizontal well to be drilled thereon;
- C. Authorizing COG to recover its costs of drilling, equipping and completing the well;
- D. Approving the actual operating charges and costs of supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. 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,

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ATTORNEYS FOR COG OPERATING LLC

CASE 20417: Amended Application of COG Operating LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation (WC-025 G-08 S213304D; Bone Spring Pool (97895)) underlying a 320-acre standard horizontal spacing unit comprised of the W/2 W/2 of Sections 9 and 16, Township 21 South, Range 33 East, Lea County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the proposed **Boone 16 State Com 4H** well to be drilled from a surface hole location in the NW/4 NW/4 (Unit D) of Section 21 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 9. Also, to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of COG Operating LLC as operator, and the imposition of 200% charge for risk involved in drilling and completing the well. Said area is located approximately 25 miles west of Eunice, New Mexico.