

**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 (“Applicant”) (OGRID No. 229137), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Wolfcamp formation, Purple Sage Wolfcamp Gas Pool (98220), underlying a standard 1280-acre, more or less, horizontal spacing unit comprised of all of Sections 29 and 32, Township 24 South, Range 28 East, Eddy County, New Mexico. In support of its application, COG states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.

2. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following proposed wells:

- **Tomahawk Federal Unit #701H** to be drilled from a surface hole location in SE/4SE/4 (Unit P) of Section 20 to a bottom hole location in the SE/4SE/4 (Unit P) of Section 32;
- **Tomahawk Federal Unit #702H** to be drilled from a surface hole location in SE/4SE/4 (Unit P) of Section 20 to a bottom hole location in the SW/4SE/4 (Unit O) of Section 32;

- **Tomahawk Federal Unit #703H** to be drilled from a surface hole location in SE/4SW/4 (Unit N) of Section 20 to a bottom hole location in the SE/4SW/4 (Unit N) of Section 32;
- **Tomahawk Federal Unit #704H** to be drilled from a surface hole location in SE/4SW/4 (Unit N) of Section 20 to a bottom hole location in the SE/4SW/4 (Unit N) of Section 32;
- **Tomahawk Federal Unit #705H** to be drilled from a surface hole location in SE/4SW/4 (Unit N) of Section 20 to a bottom hole location in the SW/4SW/4 (Unit M) of Section 32.

The completed interval for the proposed **Tomahawk Federal Unit #703H** well will be within 330' of the line separating the W/2 and the E/2 of Sections 29 and 32 to allow inclusion of this acreage into a standard 1280-acre, more or less, horizontal well spacing unit.

3. The proposed wells will have productive laterals located in all of Sections 29 and 32.

4. The first and last take points of the proposed productive laterals will comply with statewide offset requirements allowing the proposed wells to be dedicated to a standard horizontal spacing unit.

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

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

7. In order to permit Applicant to obtain it's 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 Applicant should be designated the operator of the proposed horizontal well spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on September 10, 2020, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit;
- B. Approving the initial wells in the horizontal spacing unit;
- C. Designating Applicant as the operator of this spacing unit and the horizontal wells to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping, and completing the wells;
- E. Approving the actual operating charges and costs of supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% charge 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,

COG OPERATING LLC

/s/ Michael Rodriguez

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ATTORNEYS FOR COG OPERATING LLC

Case No. _____: **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 (98220), underlying a standard 1280-acre, more or less, horizontal spacing unit comprised of all of Sections 29 and 32, Township 24 South, Range 28 East, Eddy County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the to the following proposed wells:

- Tomahawk Federal Unit #701H to be drilled from a surface hole location in SE/4SE/4 (Unit P) of Section 20 to a bottom hole location in the SE/4SE/4 (Unit P) of Section 32;
- Tomahawk Federal Unit #702H to be drilled from a surface hole location in SE/4SE/4 (Unit P) of Section 20 to a bottom hole location in the SW/4SE/4 (Unit O) of Section 32;
- Tomahawk Federal Unit #703H to be drilled from a surface hole location in SE/4SW/4 (Unit N) of Section 20 to a bottom hole location in the SE/4SW/4 (Unit N) of Section 32;
- Tomahawk Federal Unit #704H to be drilled from a surface hole location in SE/4SW/4 (Unit N) of Section 20 to a bottom hole location in the SE/4SW/4 (Unit N) of Section 32;
- Tomahawk Federal Unit #705H to be drilled from a surface hole location in SE/4SW/4 (Unit N) of Section 20 to a bottom hole location in the SW/4SW/4 (Unit M) of Section 32.

The completed interval for the proposed Tomahawk Federal Unit #703H well will be within 330' of the line separating the W/2 and the E/2 of Sections 29 and 32 to allow inclusion of this acreage into a standard 1280-acre, more or less, horizontal well spacing unit. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing each well. Said area is located approximately 3 miles south of Malaga, New Mexico.