

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

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

CASE NO. _____

APPLICATION

Pursuant to NMSA § 70-2-17, COG Operating LLC (“COG” or “Applicant”) applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 960.81-acre, more or less, standard, overlapping horizontal spacing unit comprised of the E/2 equivalent of irregular Section 3, and the E/2 of Sections 10 and 15, Township 24 South, Range 27 East, Eddy County, New Mexico (“Unit”). In support of its application, COG states the following:

1. COG (OGRID No. 229137) 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. **Rough Rider State Com 501H** and **Rough Rider State Com 521H**, which will be drilled from surface hole locations in Lot 1 (NE/4 NE/4 equivalent) of Section 3 to bottom hole locations in the SE/4 SE/4 (Unit P) of Section 15; and
 - b. **Rough Rider State Com 502H**, **Rough Rider State Com 503H**, and **Rough Rider State Com 522H**, which will be drilled from surface hole locations in Lot 1 (NE/4 NE/4 equivalent) of Section 3 to bottom hole locations in the SW/4 SE/4 (Unit O) of Section 15.
3. The completed intervals of the Wells will be orthodox.
4. The completed interval of the **Rough Rider State Com 502H** well will be located within 330’ of the quarter-quarter section line separating the E/2 E/2 and the W/2 E/2 of Sections

3, 10, and 15 to allow for the creation of a 960.81-acre standard, overlapping, horizontal spacing unit.

5. The Unit will partially overlap with the spacing units for the following wells: Black River 15 10 State Com X 005H (API No. 30-015-44070) and Black River 15 10 State Com X 006 (API No. 30-015-44069), which are located in the E/2 E/2 of Sections 15 and 10, Township 24 South, Range 27 East, and produce from the Willow Lake; Bone Spring, West pool (Code 96415); and the Spanish Cedar State 1 (API 30-015-35536), which is located in the SW/4 SE/4 of Section 3, Township 24 South, Range 27 East, and produces from the Wildcat G-02 S242703O; Bone Spring Pool (Code 97837).

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 the operator of the Unit and the Wells.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on April 10, 2025, 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. Designating Applicant as the operator of the Unit and the 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 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 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

/s/ Dana S. Hardy

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