

**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

Pursuant to NMSA § 70-2-17, COG Operating LLC (“Applicant”) applies for an order pooling all uncommitted interests from the top of the Wolfcamp formation to 10,408’ (being 100’ below the base of the deepest depth drilled by the Myox 30 State Com 801H (API No. 30-025-45752), top of the Wolfcamp formation being interpreted as 9,002’ TVD as shown on the log of Marbob Energy Corporation-Red Ryder State #1 well (API No. 30-015-35150), Section 25, T25S-R27E, Eddy County, New Mexico) underlying a 963.36-acre, more or less, standard horizontal spacing unit comprised of Lots 1-4 and E/2W/2 (W/2 equivalent) of Sections 19, 30 and 31, Township 25 South, Range 28 East, Eddy County, New Mexico (“Unit”). In support of its application, Applicant states:

1. Applicant (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 proposed initial wells:
 - **Myox 30 State Com 704H** wells to be horizontally drilled from a surface hole location in the SE/4SW/4 (Unit N) of Section 18 to a bottom hole location in the SE/4SW/4 (Unit N) of Section 31, and
 - **Myox 30 State Com 705H** and **Myox 30 State Com 706H** well to be horizontally drilled from a surface hole location in the SW4/SW4 (Lot 4) of Section 18 to a

bottom hole location in the SW/4SW/4 (Lot 4) of Section 31 (collectively the “Wells”).

3. The completed intervals of the Wells will be unorthodox.

4. 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 of the interest owners.

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

6. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted mineral interests in the Unit should be pooled and Applicant should be designated the operator of the Wells and Unit.

WHEREFORE, Applicant requests this application be set for hearing on August 5, 2021, and that after notice and hearing the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Wells in the Unit;
- C. Designating Applicant as 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% 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,

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