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

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

APPLICATION

COG Operating LLC ("COG" or "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 WC-025 G-09 S243532M; Wolfbone Pool (98098), underlying a standard 960.16-acre, more or less, horizontal spacing unit comprised of all of irregular Section 1 and the N/2 of Section 12, Township 25 South, Range 34 East, Lea County, New Mexico. In support of this 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:
 - (1) the **Green Eyeshade Fed Com Fed Com #601H well**, to be drilled from a surface location in the NW/4 SE/4 (Unit J) of Section 12 to a bottom hole location in the NE/4 NE/4 (Lot 1) of Section 1;
 - (2) the Green Eyeshade Fed Com #602H well, and (3) the Green Eyeshade Fed Com #702H well, to be drilled from a surface location in the NW/4 SE/4 (Unit J) of Section 12 to a bottom hole location in the NW/4 NE/4 (Lot 2) of Section 1;

- (4) the Green Eyeshade Fed Com #603H well, (5) the Green Eyeshade
 Fed Com #703H well, to be drilled from a surface location in the NE/4 SW/4
 (Unit K) of Section 12 to a bottom hole location in the NE/4 NW/4 (Lot 3) of Section 1; and
- (6) the Green Eyeshade Fed Com Fed Com #704H well, to be drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 12 to a bottom hole location in the NW/4 NW/4 (Lot 4) of Section 1.
- 3. The completed interval for the proposed Green Eyeshade Fed Com #601H well will be within 330' of the quarter-quarter line separating the E/2 E/2 from the W/2 E/2 of Section 1 and the W/2 NE/4 from the E/2 NE/4 of Section 12; the completed interval for the proposed Green Eyeshade Fed Com #602H will be within 330' of the quarter-quarter line separating the E/2 W/2 from the W/2 E/2 of Section 1 and the W/2 NE/4 from the E/2 NW/4 of Section 12, and the completed interval for the proposed Green Eyeshade Fed Com #603H well will be within 330' of the quarter-quarter line separating the E/2 W/2 from the W/2 W/2 of Section 1 and the W/2 NW/4 from the E/2 NW/4 of Section 12 to allow inclusion of this acreage into a standard horizontal well spacing unit.
- 4. 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.
- 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 Applicant 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 Applicant should be designated the operator of the proposed horizontal wells and spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on November 4, 2021, 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,

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