

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

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

**Case No.** \_\_\_\_\_

**APPLICATION**

Pursuant to NMSA § 70-2-17, COG Operating LLC (“Applicant”) (OGRID No. 229137) applies for an order pooling all uncommitted mineral interests in the Bone Spring formation underlying a 400-acre, more or less, standard horizontal spacing unit (“Unit”) comprised of Lot 3, the SE/4NW/4 and the E/2SW/4 of Section 4 in Township 25 South, Range 35 East; the E/2W/2 of Section 9 in Township 25 South, Range 35 East; and the E/2SW/4 of Section 33 in Township 24 South, Range 35 East, Lea County, New Mexico. In support of its application, Applicant states the following:

1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.
2. The Unit will be dedicated to the **Fez Fed Com 402H** well (“Well”) to be horizontally drilled from a surface location in the NE/4NW/4 (Unit C) of Section 16 to a bottom hole location in the NE/4SW/4 (Unit K) of Section 33.
3. The completed interval of the Well is orthodox.
4. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the Well but has been unable to obtain voluntary agreements from all the mineral 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 Well and Unit.

WHEREFORE, Applicant requests this application be set for hearing on January 6, 2021, and that after notice and hearing the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Well in the Unit;
- C. Designating Applicant as operator of the Unit and the Well to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping and completing the Well;
- 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 Well against any working interest owner who does not voluntarily participate in the drilling of the Well.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy  
Michael Rodriguez  
P.O. Box 2068  
Santa Fe, NM 87504-2068  
Phone: (505) 982-4554  
Facsimile: (505) 982-8623  
dhardy@hinklelawfirm.com  
mrodriguez@hinklelawfirm.com  
Counsel for COG Operating LLC