

**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

COG Operating LLC (“COG”), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of N.M. Stat. Ann. § 70-2-17, for an order pooling all uncommitted interests in the Wolfcamp formation [Brinninstool; Wolfcamp West (Pool Code 96689)] underlying a 960-acre, more or less, standard horizontal well spacing unit comprised of E/2 of Sections 8, 17 and 20, Township 23 South, Range 33 East, NMPM, Lea County, New Mexico. In support of its application, COG states:

1. COG Operating LLC (OGRID No. 229137) is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.

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

- **Margherita Federal Com 602H** to be drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 8 to bottom hole location SE/4 SE/4 (Unit P) of Section 20, and
- **Margherita Federal Com 603H** and **Margherita Federal Com 604H** to be drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 8 to bottom hole locations in the SW/4 SE/4 (Unit O) of Section 20.

3. The completed interval of the Margherita Federal Com 603H well will remain with 330 feet of the offsetting quarter-quarter sections or equivalent tracts to include them in a standard horizontal well spacing unit.

4. COG 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. To permit COG 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 COG Operating LLC should be designated the operator of this proposed horizontal wells and spacing unit.

WHEREFORE, COG requests that this application be set for hearing before an Examiner of the Oil Conservation Division on May 5, 2022, and, after notice and hearing as required by law, the Division enter an order:

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

- E. Imposing a 200% charge for the risk assumed by COG 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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