

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

**APPLICATION OF COG OPERATING LLC  
FOR COMPULSORY POOLING AND APPROVAL  
OF NON-STANDARD SPACING UNIT,  
LEA COUNTY, NEW MEXICO**

**CASE NO. \_\_\_\_\_**

**APPLICATION**

In accordance with NMSA 1978, § 70-2-17 and NMAC 19.15.16.15(B)(5), COG Operating LLC (“COG” or “Applicant”), through its undersigned attorneys, files this application with the Oil Conservation Division (“Division”) for an order: (1) establishing a 960.16-acre, more or less, non-standard horizontal spacing unit comprised of irregular Section 1 and the N/2 of Section 12, Township 25 South, Range 34 East, Lea County, New Mexico (“Unit”); and (2) pooling all uncommitted interests in the WC-025 G-09 S243532M; Wolfbone Pool (98098), underlying the Unit. In support of this application, COG states the following.

1. Applicant (OGRID No. 229137) is a working interest owner in the Unit and has the right to drill thereon.
2. Applicant seeks to dedicate the Unit to the following proposed wells:
  - a. The **Green Eyeshade Fed Com #601H well**, to be drilled from a surface hole 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;
  - b. The **Green Eyeshade Fed Com #602H well** and the **Green Eyeshade Fed Com #702H well**, to be drilled from a surface hole 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;

- c. The **Green Eyeshade Fed Com #603H well** and the **Green Eyeshade Fed Com #703H well**, to be drilled from a surface hole 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
  - d. The **Green Eyeshade Fed Com #704H well**, to be drilled from a surface hole 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 intervals of the wells will be orthodox.
  - 4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all the interest owners in the Unit.
  - 5. The pooling of interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.
  - 6. Approval of a non-standard horizontal spacing unit is necessary to prevent waste and protect correlative rights.
  - 7. 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 the Unit should be pooled and Applicant should be designated the operator of the proposed horizontal wells and the Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on June 2, 2022, and, after notice and hearing as required by law, the Division enter an order:

- A. Approving a non-standard horizontal spacing unit pursuant to 19.15.16.15(B)(5) NMAC;
- B. Pooling all uncommitted interests in the Unit;
- C. Approving the initial wells in the Unit;

- D. Designating Applicant as the operator of the Unit and the horizontal wells to be drilled thereon;
- E. Authorizing Applicant to recover its costs of drilling, equipping, and completing the wells;
- F. Approving the actual operating charges and costs of supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- G. 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,

HINKLE SHANOR LLP

/s/ Dana S. Hardy  
Dana S. Hardy  
Jaclyn M. McLean  
P.O. Box 2068  
Santa Fe, NM 87504-2068  
Phone: (505) 982-4554  
Facsimile: (505) 98208623  
dhardy@hinklelawfirm.com  
jmclean@hinklelawfirm.com  
Counsel for COG Operating LLC