# 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. 22881** 

#### **EXHIBIT INDEX**

### Compulsory Pooling Checklist

Exhibit A	Self-Affirmed Statement of Michael Potts
A-1	Application & Proposed Notice of Hearing
A-2	C102s for Wells
A-3	Plat of Tracts, Ownership Interests, Uncommitted Overriding Royalty Interests to be Pooled
A-4	Sample Ratification Letter
A-5	Chronology of Contact
Exhibit B	Self-Affirmed Statement of Joseph B. Dishron
B-1	Regional Locator Map
B-2	Third Bone Spring Structure Map
B-3	Cross Section Map
B-4	Stratigraphic Cross Section
Exhibit C	Affidavit of Dana S. Hardy
C-1	Sample Notice Letter to All Interested Parties
C-2	Chart of Notice to All Interested Parties and Certified Mail Receipts
C-3	Affidavit of Publication for June 19, 2022

### **COMPULSORY POOLING APPLICATION CHECKLIST**

ALL INFORMATION IN THE APPLICATION MUST B	SE SUPPORTED BY SIGNED AFFIDAVITS
Case No.:	22881
Hearing Date:	7/7/2022
Applicant	COG Operating LLC
Designated Operator & OGRID	229137
Applicant's Counsel	Hinkle Shanor LLP
Case Title	Application of COG Operating LLC for Compulsory Pooling, Lea County,
	New Mexico
Entries of Appearance/Intervenors	
Well Family	Double ABJ 16 Federal Com
Formation/Pool	
Formation Name(s) or Vertical Extent	Bone Spring
Primary Product (Oil or Gas)	Oil
Pooling this vertical extent	Bone Spring
Pool Name and Pool Code	Mesa Verde; Bone Spring Pool; Code 96229
Well Location Setback Rules	Standard
Spacing Unit Size	640-acre
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	640
Building Blocks	quarter-quarter
Orientation	South/North
Description: TRS/County	E/2 of Sections 9 and 16, Township 24 South, Range 32 East, Lea
	County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	Yes
Proximity Defining Well: if yes, description	Double ABJ 16 Federal Com 502H
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status	Add wells as needed
(standard or non-standard)	
Well #1	Double ABJ 16 Federal Com 701H (API # pending)
	SHL: 271' FSL & 450' FEL, Unit P, Section 16, T24S-R32E
	BHL: 50' FNL & 330' FEL, Unit A, Section 9, T24S-R32E
	Completion Target: Bone Spring (Approx. 10,607' TVD)
	Well Orientation: South to North
Well #2	Double ABJ 16 Federal Com 502H (API # pending)
	SHL: 303' FSL & 450' FEL, Unit P, Section 16, T24S-R32E
	BHL: 50' FNL & 1640' FEL, Unit A, Section 16, T24S-R32E
	Completion Target: Bone Spring (Approx. 11,575' TVD)
	Well Orientation: South to North
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Bone Spring Formation
	Well #1 - TVD approx. 10,607' & MD approx. 20,800'
	Well #2 - TVD approx. 11,575' & MD approx. 21,800'
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000.00
Production Supervision/Month \$	\$800.00
Relatined to Anasinger Visio A226 8t 42:21 PM	Exhibit A

Received by OCD: 7/2/2022 2:13:40 PM	Page 3 of
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-2
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-3
Ownership Determination	
Land Ownership Schematic of Spacing Unit	Exhibit A-3
Tract List (including lease numbers & owners)	Exhibit A-3
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	Exhibit A
Ownership Depth Severance (including percentage above &	
below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	N/A
Cost Estimate to Drill and Complete	N/A
Cost Estimate to Equip Well	N/A
Cost Estimate for Production Facilities	N/A
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-2
Gross Isopach	N/A
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-3
Depth Severance Discussion	N/A
Forms, Figures and Tables	19.
C-102	Exhibit A-2
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit B-2
Structure Contour Map - Subsea Depth	Exhibit B-4
Cross Section Location Map (including wells)	Exhibit B-3
Cross Section (including Landing Zone)	Exhibit B-3
Additional Information	
CERTIFICATION: I hereby certify that the information	
provided in this checklist is complete and accurate.	
•	Dana C. Harshi
Printed Name (Attorney or Party Representative):	Dana S. Hardy
Signed Name (Attorney or Party Representative):	/s/ Dana S. Hardy
Date:	7/2/2022

# 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. 22881** 

### SELF-AFFIRMED STATEMENT OF MICHAEL POTTS

- 1. I am a landman at COG Operating LLC ("COG") and am over 18 years of age. I have personal knowledge of the matters addressed herein and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division ("Division") and my qualifications as an expert in petroleum land matters were accepted and made a matter of record.
- 2. I am familiar with the land matters involved in the above-referenced case. Copies of COG's application and proposed hearing notice are attached as **Exhibit A-1**.
- 3. None of the parties proposed to be pooled in this case indicated opposition to this matter proceeding by affidavit, therefore I do not expect any opposition at hearing.
- 4. COG seeks an order pooling all uncommitted interests within the Bone Spring formation (Mesa Verde; Bone Spring Pool, Code 96229) underlying a 640-acre, more or less, standard horizontal spacing unit comprised of the E/2 of Sections 9 and 16, Township 24 South, Range 32 East, Lea County, New Mexico.
  - 5. The Unit will be dedicated to following wells ("Wells"):
    - Double ABJ 16 Federal Com 501H to be drilled from a surface hole location in the SE/4 SE/4 (Unit P) of Section 16 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 9; and

- Double ABJ 16 Federal Com 502H to be drilled from a surface hole location in the SE/4 SE/4 (Unit P) of Section 16 to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 9.
- 6. The completed interval of the Double ABJ 16 Federal Com 502H well will be located within 330' of the quarter-quarter section line separating the E/2 E/2 and W/2 E/2 of Sections 9 and 16 to allow for the creation of a 640-acre standard horizontal spacing unit.
  - 7. The completed intervals of the Wells will be orthodox.
  - 8. Exhibit A-2 contains C-102s for the Wells.
- 9. **Exhibit A-3** contains a plat identifying ownership by tract in the Unit. This exhibit also includes any applicable lease numbers, a unit recapitulation, and the interests COG seeks to pool highlighted in yellow. COG is only seeking to pool overriding royalty interests ("ORRIs"), as all working interests have committed to the Unit.
  - 10. **Exhibit A-4** contains a sample ratification letter sent to the ORRIs.
- 11. COG has conducted a diligent search of all county public records including phone directories and computer databases.
  - 12. All interest owners COG seeks to pool are locatable.
- 13. In my opinion, COG made a good-faith effort to reach voluntary joinder of uncommitted interests in the Wells as indicated by the chronology of contact described in **Exhibit** A-5.
- 14. COG requests overhead and administrative rates of \$8,000 per month while the Wells are being drilled and \$800 per month while the Wells are producing. These rates are fair and are comparable to the rates charged by COG and other operators in the vicinity.

- 15. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.
- 16. In my opinion, the granting of COG's application would serve the interests of conservation, the protection of correlative rights, and the prevention of waste.
- 17. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Michael Potts

6/28/2022 Date

#### 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

**CASE NO.** 22881

#### **APPLICATION**

In accordance with NMSA 1978, § 70-2-17, COG Operating LLC ("COG" or "Applicant"), through its undersigned attorneys, files this application with the Oil Conservation Division ("Division") for an order pooling all uncommitted interests in the Bone Spring formation underlying a 640-acre, more or less, standard horizontal spacing unit comprised of the E/2 of Sections 9 and 16, Township 24 South, Range 32 East, Lea County, New Mexico ("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 **Double ABJ 16 Federal Com 501H well**, to be drilled from a surface hole location in the SE/4 SE/4 (Unit P) of Section 16 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 9; and
    - b. The **Double ABJ 16 Federal Com 502H well**, to be drilled from a surface hole location in the SE/4 SE/4 (Unit P) of Section 16 to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 9.
  - 3. The completed intervals of the wells will be orthodox.
- 4. The completed interval of the Double ABJ 16 Federal Com 502H well will be located within 330'of the quarter-quarter section line separating the E/2 E/2 and W/2 E/2 of Sections 9 and 16 to allow for the creation of a 640-acre standard horizontal spacing unit.

COG Operating, LLC Case No. 22881 Exhibit A-1

- 5. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all of the interest owners in the Unit.
- 6. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, 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 July 7, 2022, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the initial wells in the Unit;
- C. Designating Applicant as the operator of the 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,

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 Application of COG Operating LLC for Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a 640-acre, more or less, standard horizontal spacing unit comprised of the E/2 of Sections 9 and 16, Township 24 South, Range 32 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the **Double ABJ 16 Federal Com 501H** well, to be drilled from a surface hole location in the SE/4 SE/4 (Unit P) of section 16 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 9, and the **Double ABJ 16 Federal Com 502H** well, to be drilled from a surface hole location in the SE/4 SE/4 (Unit P) of Section 16 to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 9. The completed intervals of the wells will be orthodox. The completed interval of the Double ABJ 16 Federal Com 502H well will be within 330' of the quarter-quarter section separating the E/2 E/2 and W/2 E/2 of Sections 16 and 9 to allow for the creation of a standard 640-acre horizontal spacing unit. Also to be considered will be the cost of drilling and completing the Wells and the allocation of the cost, the designation of Applicant as the operator of the Wells, and a 200% charge for the risk involved in drilling and completing the Wells. The Wells are located approximately 29 miles northwest of Jal, New Mexico.

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
DISTRICT II
811 S. FIRST ST., ARTESIA, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR. Santa Fe, New Mexico 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

DISTRICT III 1000 RIO BRAZOS RD., AZTEC, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

Phone: (505) 334-6178 Fax: (505) 334-6170 DISTRICT IV 1220 S. ST. FRANCIS DR., SANTA FR., NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

API Number 30-025-47167
Property Code 328130
OGRID No.

☐ AMENDED REPORT

WELL LOCATION	AND	ACREAGE	DEDICATION	PLAT					
Pool Code			Pool Name						
96229			Mesa Verde; Bone Spring						
•	Prop	erty Name			Well Number				
DOUBLE	ABJ	16 FEDER	RAL COM		501H				

229137 COG OPERATING, LLC

Elevation 3585.8'

Surface Location

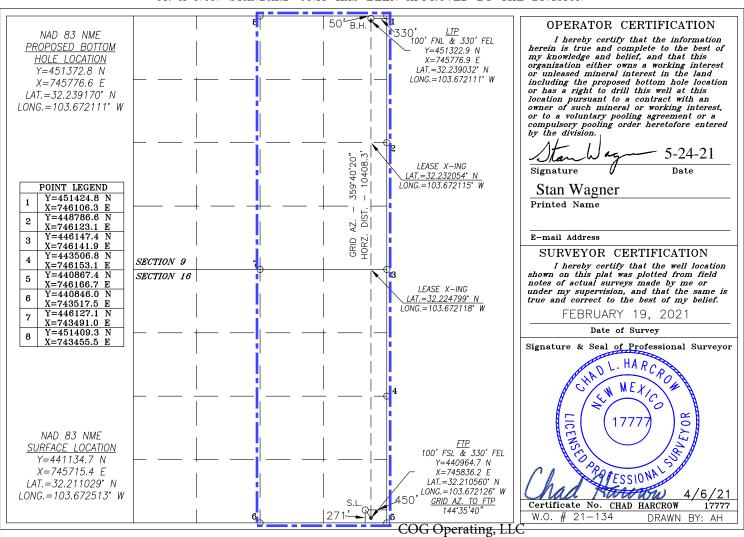
Operator Name

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	16	24-S	32-E		271	SOUTH	450	EAST	LEA

#### Bottom Hole Location If Different From Surface

UL or lot No.	Section	Townshi	ip	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	9	24-	S	32-E		50	NORTH	330	EAST	LEA
Dedicated Acres   Joint or Infill   Consolidation Code				Code Or	der No.					
640										

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



Case No. 22881 Exhibit A-2 DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
DISTRICT II
811 S. FIRST ST., ARTESIA, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR. Santa Fe, New Mexico 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

DISTRICT III 1000 RIO BRAZOS RD., AZTEC, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

 $\square$  AMENDED REPORT

WELL	LOCATION	AND	ACREAGE	DEDICATION	PLAT

API Number	Pool Code	Pool Name				
30-025-47286	96229	Mesa Verde; Bone Spring				
Property Code	Prop	Property Name				
328130	DOUBLE ABJ	16 FEDERAL COM	502H			
OGRID No.	Opera	ator Name	Elevation			
229137	COG OPE	RATING, LLC	3584.5'			

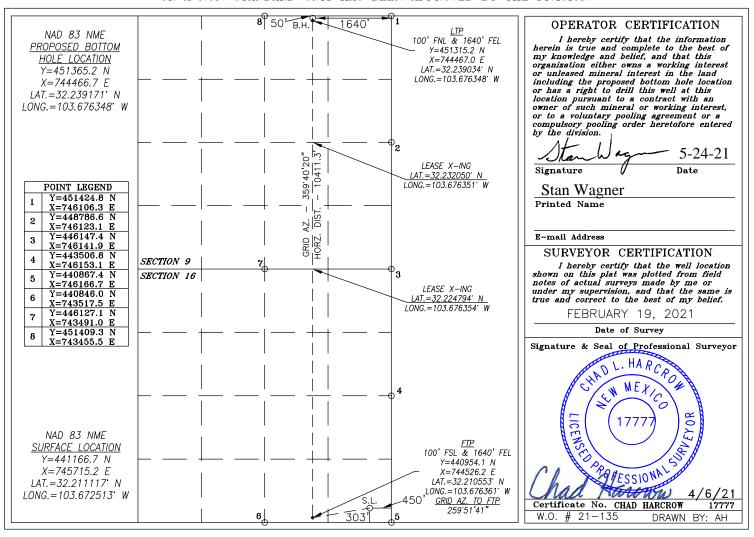
#### Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Р	16	24-S	32-E		303	SOUTH	450	EAST	LEA

#### Bottom Hole Location If Different From Surface

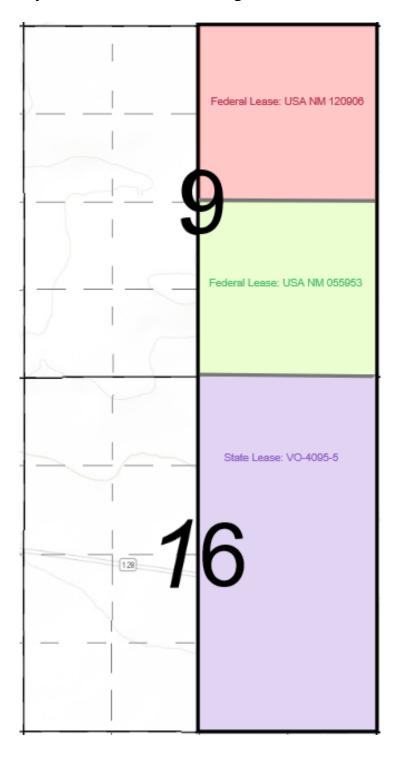
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
В	9	24-S	32-E		50	NORTH	1640	EAST	LEA
Dedicated Acres   Joint or Infill   Consolidation Code		Code Or	der No.						
640									

### NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



### **Double ABJ 16 Federal Com**

E/2 of Section 9 and E/2 of Section 16 Township 24 South – Range 32 East Lea County, New Mexico, Containing 640.00 acres, more or less



COG Operating, LLC Case No. 22881 Exhibit A-3

#### **Unit Working Interest**

 COG Operating LLC
 68.750000%

 COG Production LLC
 25.000000%

 First Roswell Company, Ltd.
 5.208333%

 Thomas E. Jennings
 1.041667%

 Total
 100.000000%

#### Tract 1 – NE of Section 9, T24S, R32E

COG Production LLC 100.000000%

#### <u>Tract 2 – SE of Section 9, T24S, R32E</u>

 COG Operating LLC
 75.000000%

 First Roswell Company, Ltd.
 20.833333%

 Thomas E. Jennings
 4.166667%

 Total
 100.000000%

#### <u>Tract 3 – E/2 of Section 16, T24S, R32E</u>

COG Operating LLC 100.000000%

#### **Pooled Notification List**

#### **Working Interest Owners**

All Working Interest Owners have executed the Operating Agreement

#### **Unleased Mineral Interest Owners**

None

#### <u>Unratified Overriding Royalty Interest Owners</u>

HOG BG LLC (Tract 2) PO Box 526412 Salt Lake City, UT 84152

International Petroleum & Exploration Royalty Corp (Tract 2) 4834 S Highland Dr. #200 Salt Lake City, UT 84107

JC Resources LP (Tract 2) 1717 S Boulder Ave, Suite 400 Tulsa, OK 74119

JC Resources LP (Tract 2)
2100 Ross Ave, Suite 18740 LP9
Dallas, TX 75201
LRE Operating LLC (Tract 3)
111 Bagby Street, Suite 4600
Houston, TX 77002

LRE Operating LLC (Tract 3)
PO Box 4224, Dept 150
Houston, TX 77210

MA – Minerals LLC (Tract 2)
221 21<sup>st</sup> Street
Manhattan Beach, CA 90266

MA – Minerals LLC (Tract 2) PO Box 3759 Manhattan Beach, CA 90266

Philip L. White (Tract 2) PO Box 25968 Albuquerque, NM 87125

Staff Land Analyst



ConocoPhillips 600 W. Illinois Ave. Midland, TX 79701 www.conocophillips.com

January 18, 2022

USPS Certified Mail – Return Receipt Requested HOG BG LLC PO Box 526412 Salt Lake City, UT 84152

RE: RATIFICATION OF COMMUNITIZATION AGREEMENT

**Double ABJ 16 Federal Com** 

Township 24 South - Range 32 East, N.M.P.M.

Section 9: E/2
Section 16: E/2
Lea County, New Mexico
Bone Spring Formation

#### HOG BG LLC:

Please find enclosed two copies of a Ratification of Communitization Agreement covering the above described well/lands that have been prepared for execution by you, as an overriding royalty interest owner. As an Overriding Royalty Interest Owner in one or more of the leases being pooled within this unit, it is necessary for you to ratify the Communitization Agreement. Please secure execution of both originals for this spacing unit and return one (1) fully executed copy in the enclosed return postage paid, self-addressed envelope, the second copy is for your records. You will also find a copy of the originally proposed Communitization Agreement.

If you have any questions, please do not hesitate to contact me at 432-685-4375 or by email at <a href="mailto:lreyna@concho.com">lreyna@concho.com</a>.

**COG OPERATING LLC** 

Laura Reyna

Staff Land Analyst

Northern Delaware Basin, NM

#### RATIFICATION OF COMMUNITIZATION AGREEMENT

E/2 of Sections 9 and 16
Township 24 South – Range 32 East
Lea County, New Mexico
Bone Spring Formation

	Bone Spring Formation	
STATE OF NEW MEXICO	)	
COUNTY OF LEA	)	
pooling and combining the	Operator, executed a Communitization Ag oil and gas leases set forth therein, insof ed of the E/2 of Sections 9 and 16, Townsh he Bone Spring formation.	ar as they cover the 640.00 acre
	e address is P. O. Box 526412, Salt Lake (ocated in the unit referenced above.	City, UT 84152 is an owner of an
	es to adopt, ratify and confirm the Commu interest in and to the oil and gas lease by COG Operating LLC.	_
described Communitization	the premises <b>HOG BG, LLC</b> , does hereby add Agreement insofar as it covers its right, tied and in the communitized area, and agrees that has therein.	tle and interest in the oil and gas
This Ratification is $\epsilon$	effective as of the effective date of the ab	oove-referenced Communitization
	HOG BG, LLC	
STATE OF	)	
STATE OF	) )	
This instrument was acknow	rledged before me on the day of	, 202,
by	, as	of <b>HOG BG, LLC,</b> a
		, on behalf of same.

Notary Public in and for the State of \_\_\_\_\_

<u>Attention</u>	Owner Name	Address1	Address2	City	<u>St</u>	<u>Zip</u>	Coun try	Date Mailed	INTEREST TYPE	<u>Delivered</u>
UOC DC UC	uoc no uo	DO D 526442		Salt Lake	LIT	04452	116	04/40/22	ORRI/RAT	04/20/22
HOG BG LLC  INTERNATIONAL  PETROLEUM &  EXPLORATION  ROYALTY CORP	INTERNATIONAL PETROLEUM & EXPLORATION ROYALTY CORP	4834 S Highland Dr. #200		City Salt Lake City	UT	84152 84107	US	01/18/22	ORRI/RAT	01/20/22
JC RESOURCES LP	JC RESOURCES LP	1717 S. Boulder Ave	Suite 400	Tulsa	ОК	74119	US	01/18/22	ORRI/RAT	01/20/22
JC RESOURCES LP	JC RESOURCES LP	2100 Ross Ave	Suite 18740 LP9	Dallas	TX	75201	US	01/18/22	ORRI/RAT	01/20/22
LRE OPERATING LLC	LRE OPERATING	111 Bagby Street	Suite 4600	Houston	TX	77002	US	01/18/22	ORRI/RAT	01/20/22
LRE OPERATING LLC	LRE OPERATING	PO Box 4224	Dept. 150	Houston	TX	77210	US	01/18/22	ORRI/RAT	01/20/22
MA - MINERALS LLC	MA - MINERALS	221 21st Street		Manhattan Beach	CA	90266	US	01/18/22	ORRI/RAT	01/20/22

COG Operating, LLC Case No. 22881 Exhibit A-5

								ORRI/RAT	
			·						
	MA - MINERALS		Manhattan						
MA - MINERALS LLC	LLC	PO Box 3759	Beach	CA	90266	US	01/18/22		01/20/22
								ORRI/RAT	
			Albuquerq						
			Albuquerq						
PHILIP L WHITE	PHILIP L WHITE	PO Box 25968	ue	NM	87125	US	01/18/22		01/20/22

Received by OCD: 7/2/2022 2:13:40 PM

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. 22881** 

#### SELF-AFFIRMED STATEMENT OF JOSEPH B. DISHRON

- 1. I am a Senior Geologist for COG Operating LLC ("COG") and am over 18 years of age. I have personal knowledge of the matters addressed herein and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division ("Division"), and my credentials as an expert in petroleum geology matters were accepted and made a matter of record.
  - 2. I am familiar with the geological matters that pertain to the above-referenced case.
- 3. **Exhibit B-1** is a location map for the proposed horizontal spacing unit ("Unit") within the Bone Spring formation. The approximate wellbore paths for the proposed **Double ABJ**16 Federal Com 501H and Double ABJ 16 Federal Com 502H wells ("Wells") are represented by dashed lines. Existing producing wells in the targeted interval are represented by solid lines.
- 4. **Exhibit B-2** is a subsea structure map for the top of the Bone Spring formation which is representative of the targeted intervals within the pool. The data points are indicated by crosses. The approximate wellbore paths for the Wells are depicted by dashed lines. The map demonstrates the formation is gently dipping to the east in this area. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells.
- 5. **Exhibit B-3** is a cross section map that identifies three wells penetrating the targeted interval I used to construct a stratigraphic cross-section from A to A'. I used these well

COG Operating, LLC Case No. 22881 Exhibit B logs because they penetrate the targeted interval, are of good quality, and are representative of the geology in the area.

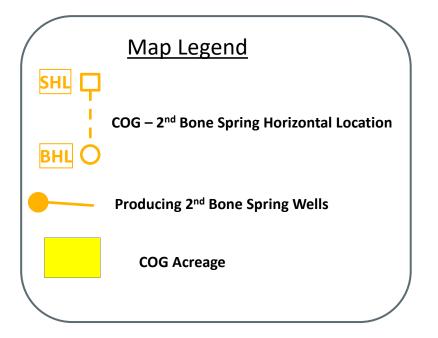
- 6. **Exhibit B-4** is a stratigraphic cross-section using the representative wells identified on **Exhibit B-3**. It contains gamma ray, resistivity and porosity logs. The proposed landing zone for the Wells are labeled on the exhibit. This cross-section demonstrates the target interval is continuous across the Unit.
- 7. In my opinion, a standup orientation for the Wells is appropriate to properly develop the subject acreage because of consistent rock properties throughout the Unit and in order to drill extended laterals this orientation is optimal due to offset producing wells.
- 8. Based on my geologic study of the area, the targeted interval underlying the Unit is suitable for development by horizontal wells and the tracts comprising the Unit will contribute more or less equally to the production of the Wells.
- 9. In my opinion, the granting of COG's application will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.
- 10. The exhibits attached hereto were either prepared by me or under my supervision or were compiled from company business records.
- 11. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date identified next to my signature below.

Joseph B. Dishron

Date

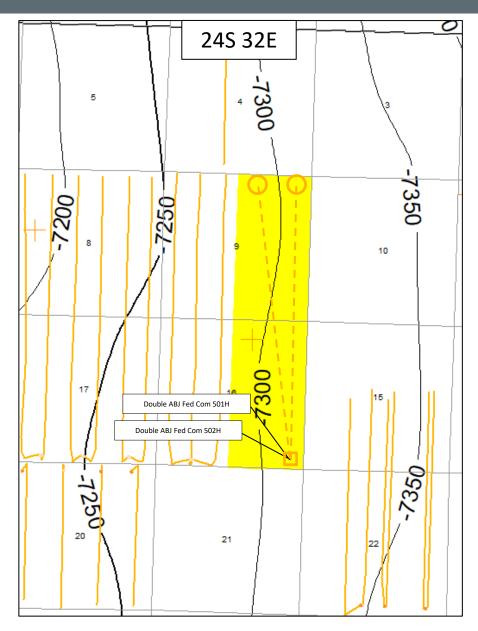
## Double ABJ Fed Com 501H, 502H

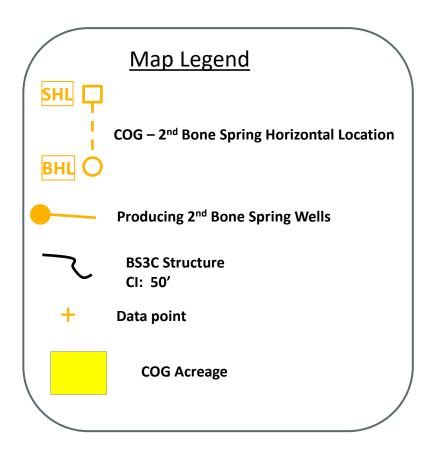




COG Operating, LLC Case No. 22881 Exhibit B-1

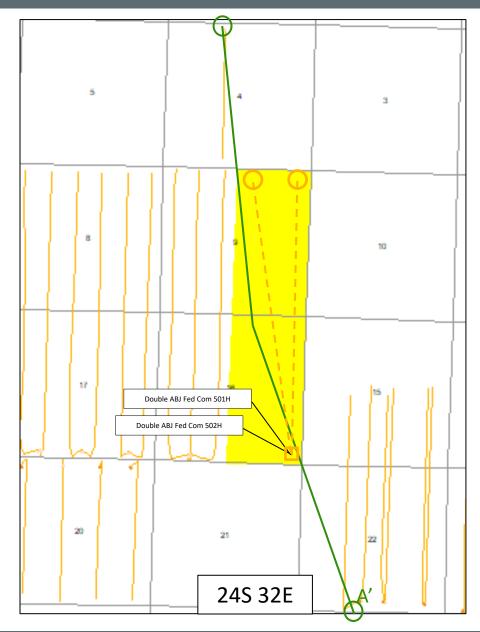
### Double ABJ Fed Com 501H, 502H – 3<sup>rd</sup> Bone Spring Carb Structure Map

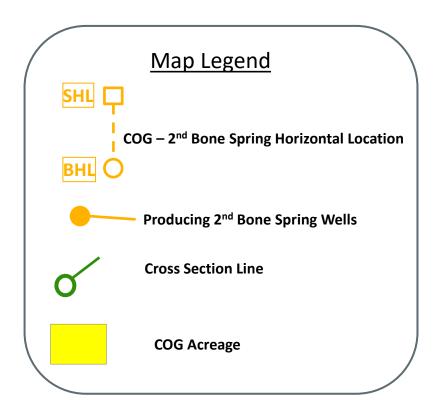




COG Operating, LLC Case No. 22881 Exhibit B-2

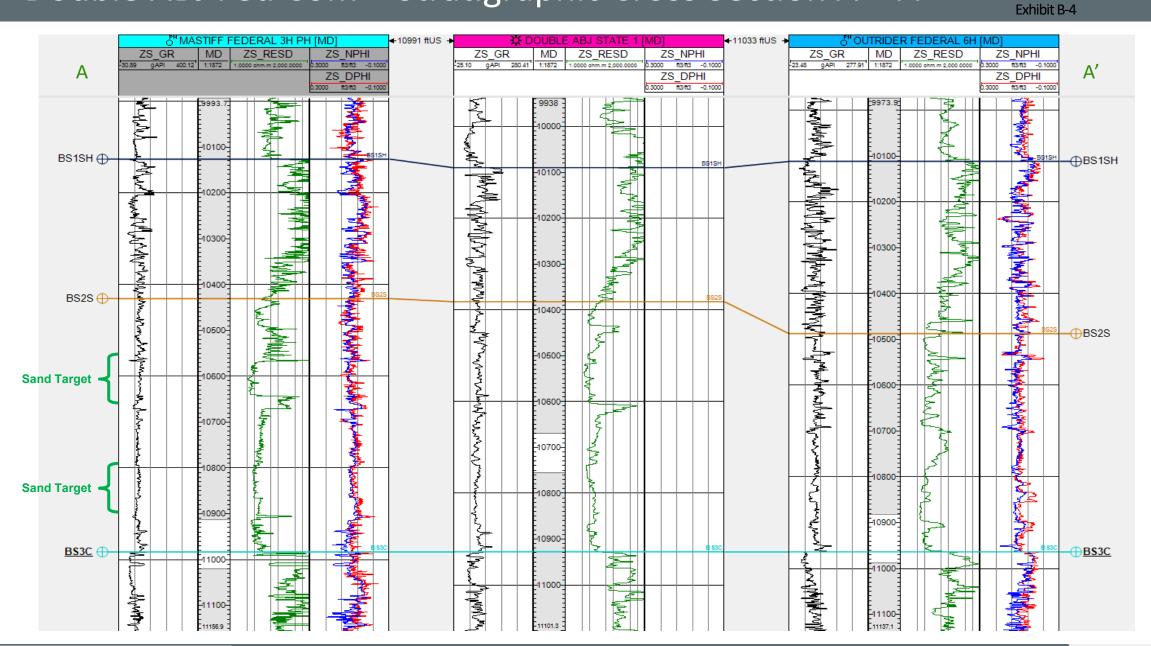
## Double ABJ Fed Com 501H, 502H – Cross Section Map





COG Operating, LLC Case No. 22881 Exhibit B-3

### Double ABJ Fed Com – Stratigraphic Cross Section A – A'



## 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. 22881** 

#### SELF-AFFIRMED STATEMENT OF DANA S. HARDY

- I am attorney in fact and authorized representative of COG Operating LLC, the Applicant herein.
  - 2. I am familiar with the Notice Letter attached as **Exhibit C-1.**
- 3. The above-referenced Application was provided, along with the Notice Letter, to the recipients listed in **Exhibit C-2**. Exhibit C-2 also provides the date each Notice Letter was sent and the date each return was received and includes copies of the certified mail green cards and white slips.
- 4. On June 19, 2022, I caused a notice to be published to all interested parties in the Hobbs News-Sun. An Affidavit of Publication from the Legal Clerk of the Hobbs New-Sun, along with a copy of the notice publication, is attached as **Exhibit C-3**.

/s/ Dana S. Hardy	July 2, 2022
Dana S. Hardy	Date

COG Operating, LLC Case No. 22881 Exhibit C



#### HINKLE SHANOR LLP

ATTORNEYS AT LAW
PO BOX 2068
SANTA FE, NEW MEXICO 87504
505-982-4554 (FAX) 505-982-8623

WRITER:

Dana S. Hardy, Partner dhardy@hinklelawfirm.com

June 8, 2022

#### <u>VIA CERTIFIED MAIL</u> RETURN RECEIPT REQUESTED

#### TO ALL PARTIES ENTITLED TO NOTICE

Re: Case Nos. 22881 & 22882 - Applications of COG Operating, LLC for Compulsory Pooling, Lea County, New Mexico.

To whom it may concern:

This letter is to advise you that the enclosed applications were filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **July 7**, **2022** beginning at 8:15 a.m.

Hearings are currently conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <a href="https://www.emnrd.nm.gov/ocd/hearing-info/">https://www.emnrd.nm.gov/ocd/hearing-info/</a>. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Pursuant to Division Rule 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days in advance of a scheduled hearing, but in no event later than 5:00 p.m. mountain time, on the Thursday preceding the scheduled hearing date. The statement must be submitted through the OCD E-Permitting system (<a href="https://www.apps.emnrd.state.nm.us/ocd/ocdpermitting/">https://www.apps.emnrd.state.nm.us/ocd/ocdpermitting/</a>) or via e-mail to ocd.hearings@state.nm.us and should include: the names of the parties and their attorneys, a concise statement of the case, the names of all witnesses the party will call to testify at the hearing, the approximate time the party will need to present its case, and identification of any procedural matters that are to be resolved prior to the hearing.

Please do not hesitate to contact me if you have questions regarding this matter.

Sincerely,
/s/ Dana S. Hardy

Dana S. Hardy

Enclosure

COG Operating, LLC Case No. 22881 Exhibit C-1

## 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 NOs. 22881 & 22882

#### NOTICE LETTER LIST

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
First Roswell Company Ltd.	06/08/22	06/15/22
111 S. Kentucky Ave.		
Roswell, NM 88203		
HOG BG LLC	06/08/22	06/24/22
PO Box 526412		
Salt Lake City, UT 84152		
International Petroleum and	06/08/22	06/16/22
Exploration Royalty Company		
4834 S Highland Dr. #200		
Salt Lake City, UT 84107		
JC Resources LP	06/08/22	Per USPS Tracking:
1717 S. Boulder Ave, Suite 400		
Tulsa, OK 74119		06/11/22 Delivery
		attempted, but delivery
		location could not be
		accessed.
JC Resources LP	06/08/22	Per USPS Tracking:
2100 Ross Ave., Suite 18740 LP9		07/01/02 7
Dallas, TX 75201		07/01/22 Departed
		facility in Albuquerque,
		NM. In transit to the
	0.5 (0.0 (2.2	destination.
Thomas Jennings	06/08/22	06/15/22
111 S. Kentucky Ave.		
Roswell, NM 88203	06/09/22	06/15/02
LRE Operting LLC	06/08/22	06/15/22
111 Bagby Street, Suite 4600		
Houston, TX 77002	06/09/22	Don LICDO Translain as
LRE Operting LLC	06/08/22	Per USPS Tracking:
PO Box 3759, Dept. 150 Houston, TX 77210		06/30/22 Departed
Houston, 1A //210		facility in Houston, TX.
		In transit to the
		destination.
MA - Minerals LLC	06/08/22	06/21/22
221 21ST ST	00,00,22	00/21/22
Manhattan Beach, CA 90266		
mamanan Deach, CA 70200		

COG Operating, LLC Case No. 22881 Exhibit C-2

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

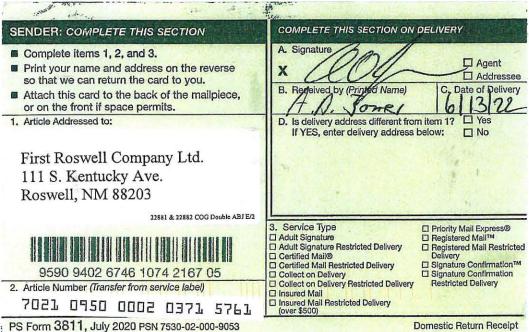
APPLICATION OF COG OPERATING LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

CASE NOs. 22881 & 22882

#### NOTICE LETTER LIST

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
MA-Minerals LLC	06/08/22	06/21/22
PO Box 3759		
Manhattan Beach, CA 90266		
Philip L. White	06/08/22	06/16/22
P.O. Box 25968		
Albuquerque, NM 87125		

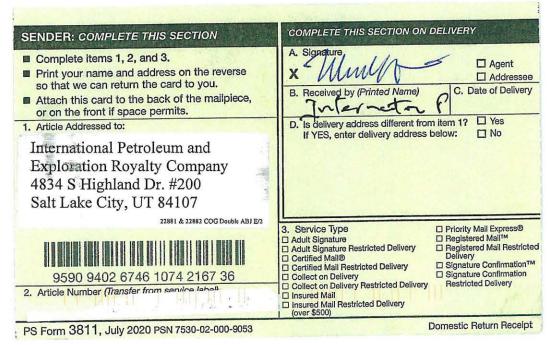






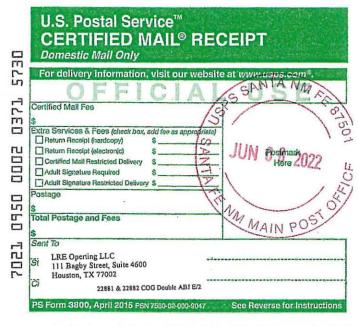
	CUITATE OF THE CONTRACT OF THE
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	A. Signature  X. Agent  Addressee  B. Received by (Printed Name)  C. Date of Delivery  Carried Camines (e. 2)
HOG BG LLC PO Box 526412 Salt Lake City, UT 84152	D. Is delivery address different from item 1?
22881 & 22882 COG Double ABJ E/2	
9590 9402 6746 1074 2167 29  Addison Number (Transfer from service label) 7021 0950 0002 0371 5778	3. Service Type  □ Adult Signature Restricted Delivery □ Certified Mail® □ Certified Mail® □ Certified Mail® □ Collect on Delivery □ Collect on Delivery Restricted Delivery □ Insured Mail □ Insured Mail Restricted Delivery
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt







SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY			
<ul> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	A. Signature  X  B. Received by (Printed Name)	Agent  Addressee  C. Date of Delivery		
1. Article Addressed to:  Thomas Jennings 111 S. Kentucky Ave. Roswell, NM 88203	D. Is delivery address different from If YES, enter delivery address			
9590 9402 6746 1074 2167 12 2. Article Number (Transfer from service label) 7021 0950 0002 0370 8046	3. Service Type  Adult Signature Adult Signature Restricted Delivery Certified Mail® Certified Mail Restricted Delivery Collect on Delivery Collect on Delivery Insured Mail Insured Mail Insured Mail Restricted Delivery (over \$500)	□ Priority Mail Express® □ Registered Mail™ □ Registered Mail Restricted □ Delivery □ Signature Confirmation™ □ Signature Confirmation □ Restricted Delivery		
PS Form 3811, July 2020 PSN 7530-02-000-9053		Domestic Return Receipt		

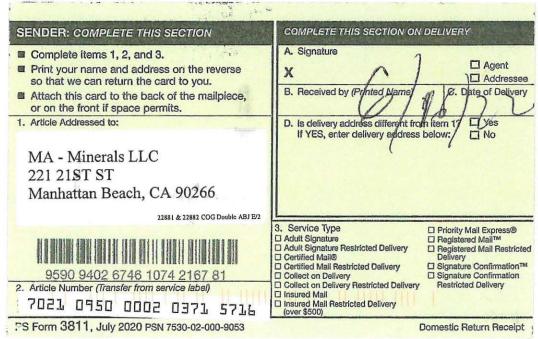




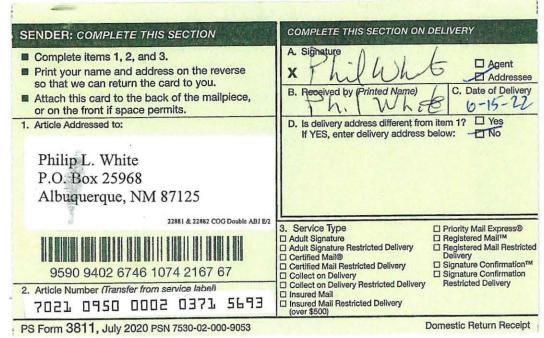


















### **Affidavit of Publication**

STATE OF NEW MEXICO COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

> Beginning with the issue dated June 19, 2022 and ending with the issue dated June 19, 2022.

Publisher

Sworn and subscribed to before me this 19th day of June 2022.

**Business Manager** 

My commission expires January 29, 2023 (Seal)

> GUSSIE BLACK Notary Public - State of New Mexico Commission # 1087526 My Comm. Expires Jan 29, 2023

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

#### LEGAL NOTICE June 19, 2022

This is to notify all interested parties, including Thomas E. Jennings; First Roswell Company, Ltd.: HOG BG LLD; International Petroleum and Exploration Royalty Company; JC Resources LP: LRE Operating LLC; MA-Minerals LLC; Philip L. White; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by COG Operating, LLC (Case No. 22831). During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on July 7, 2022, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website for that date: http://www.emnrd.state.nm.us/OCD/hearings.html. Applicant applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 640-acre, more or less, standard horizontal spacing unit comprised of the E/2 of Sections 9 and 16, Township 24 South, Range 32 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the Double ABJ 16 Federal Com 501H well, to be drilled from a surface hole location in the SE/4 SE/4 (Unit P) of Section 16 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 9, and the Double ABJ 16 Federal Com 502H well, to be drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 9. The completed interval of the Double ABJ 16 Federal Com 502H well, to be drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 9. The completed interval of the Double ABJ 16 Federal Com 502H well will be within 330' of the quarter-quarter section separating the E/2 E/2 and W/2 E/2 of Sections 16 and 9 to allow for the creation of a standard 640-acre horizontal spacing unit. Also to be considered will be the cost of drilling and completing the Wells and the allocation of the cost, the designation of Applicant as the operator of the Wells, and a 200% charge for the risk involved in drilling and completing the Wells. The Wells are

02107475

GILBERT HINKLE, SHANOR LLP PO BOX 2068 SANTA FE, NM 87504 00267903

COG Operating, LLC Case No. 22881 Exhibit C-3