

**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. _____

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 240-acre, more or less, standard horizontal spacing unit comprised of the W/2-E/2 of Section 24 and the W/2-NE/4 of Section 25, Township 20 South, Range 32 East, N.M.P.M., 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 **Jar O Jelly Federal Com #401 well**, to be drilled from a surface hole location in the NW/4-NE/4 (Unit B) of Section 24 to a bottom hole location in the SW/4-SE/4 (Unit G) of Section 25;
 - b. the **Jar O Jelly Federal Com #402 well**, to be drilled from a surface hole location in the NE/4-NE/4 (Unit A) of Section 24 to a bottom hole location in the SE/4-SE/4 (Unit H) of Section 25;
 - c. the **Jar O Jelly Federal Com #501 well**, to be drilled from a surface hole location in the NW/4-NE/4 (Unit B) of Section 24 to a bottom hole location in the SW/4-SE/4 (Unit G) of Section 25; and

- d. the **Jar O Jelly Federal Com #502 well**, to be drilled from a surface hole location in the NE/4-NE/4 (Unit A) of Section 24 to a bottom hole location in the SE/4-SE/4 (Unit H) of Section 25.
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 of the interest owners in the Unit.
5. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and 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 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 October 8, 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,

/s/ Jobediah Rittenhouse

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ATTORNEYS FOR COG OPERATING LLC

CASE _____: **Application of COG Operating LLC for compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 240-acre, more or less, horizontal spacing unit comprised of W/2-E/2 of Section 24 and the W/2-NE/4 of Section 25, Township 20 South, Range 32 East, N.M.P.M., Lea County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following proposed wells:

- the **Jar O Jelly Federal Com #401 well**, to be drilled from a surface hole location in the NW/4-NE/4 (Unit B) of Section 24 to a bottom hole location in the SW/4-SE/4 (Unit G) of Section 25;
- the **Jar O Jelly Federal Com #402 well**, to be drilled from a surface hole location in the NE/4-NE/4 (Unit A) of Section 24 to a bottom hole location in the SE/4-SE/4 (Unit H) of Section 25;
- the **Jar O Jelly Federal Com #501 well**, to be drilled from a surface hole location in the NW/4-NE/4 (Unit B) of Section 24 to a bottom hole location in the SW/4-SE/4 (Unit G) of Section 25; and
- the **Jar O Jelly Federal Com #502 well**, to be drilled from a surface hole location in the NE/4-NE/4 (Unit A) of Section 24 to a bottom hole location in the SE/4-SE/4 (Unit H) of Section 25.

The completed interval and first and last take points for these wells will meet statewide setback requirements for horizontal oil wells. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing each well. The wells and lands are located approximately 33 miles east of Carlsbad, New Mexico.