

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

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

CASE NO. 23334

NOTICE OF SUPPLEMENTAL EXHIBITS

In accordance with the Division's request at the March 2, 2023, hearing in this matter, COG Operating LLC ("COG") is providing the Supplemental Self-Affirmed Statement of Sean Miller (Exhibit D), which provides additional information regarding COG's request for approval of a non-standard spacing unit and regarding the applicable pool name and code.

Respectfully submitted,

HINKLE SHANOR, LLP

/s/ Dana S. Hardy

Dana S. Hardy

Jaclyn McLean

Yarithza Peña

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Counsel for COG Operating LLC

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**SUPPLEMENTAL SELF-AFFIRMED
STATEMENT OF SEAN P. MILLER**

1. I am a Senior Land Negotiator for COG Operating LLC (“COG”). I previously submitted a self-affirmed statement in this matter.

2. At the March 2, 2023, hearing, the Division requested that COG provide additional information regarding its request for approval of a non-standard spacing unit.

3. COG seeks approval of a non-standard spacing unit to obtain flexibility regarding the placement of surface facilities and the ability to consolidate those facilities to the greatest extent possible. Attached as **Exhibit D-1** is a map that shows the location of the to-be constructed surface facilities for the Bandana Fed Com wells, which are outlined in blue or black. As the map demonstrates, one central tank battery will be placed between the two drilling pads and will be utilized for all of the wells. Without approval of a non-standard spacing unit, COG would be required to utilize multiple tank batteries or seek commingling approval, which may or may not be granted. The ability to consolidate surface facilities reduces surface, environmental, and economic waste.

4. Approval of a non-standard spacing unit also affords COG the flexibility to optimally locate its proposed wells. COG has determined that the most optimal spacing between wells results in the wells being located within 330’ of the internal quarter-quarter section lines. Thus, applying for separate standard spacing units would require COG to seek approval of

**COG Operating LLC
Case No. 23334
Exhibit D**

unorthodox well locations, which may or may not be approved. Approval of a non-standard spacing unit is necessary to ensure COG is able to optimally locate its wells and, as a result, to prevent waste and protect correlative rights.

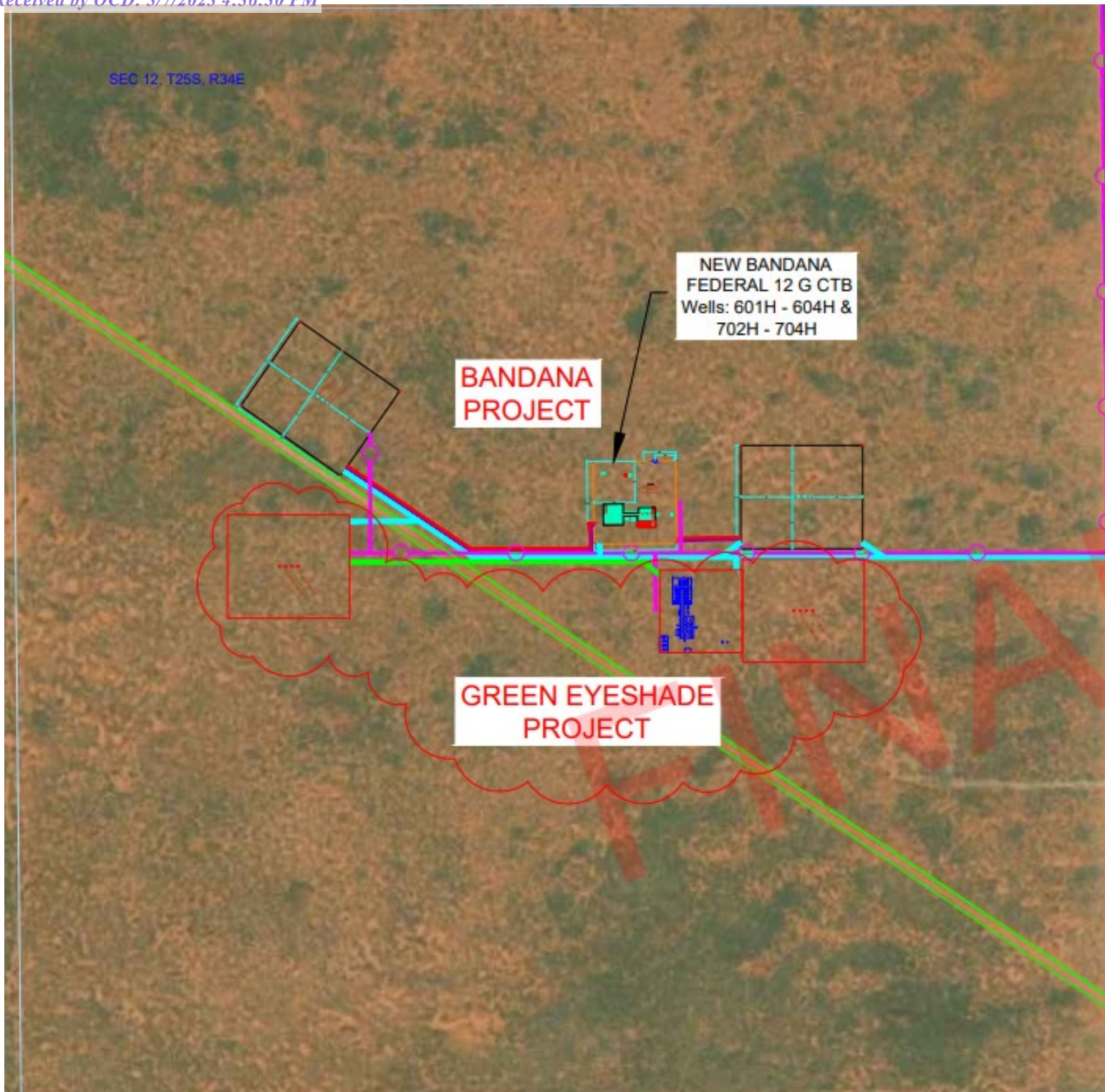
5. COG’s proposed non-standard spacing unit is also consistent with the Commission’s decision in Order No. R-22167 and the Division’s decision in Order No. R-22316.

6. I also want to clarify that the Wolfcamp wells that are the subject of this application will be completed in the Dogie Draw; Wolfcamp Pool (Code 17980). This information is included in the updated Compulsory Pooling Checklist, which is attached as **Exhibit D-2**, as well as the updated C-102s, which are attached as **Exhibit D-3**.

7. I understand this Self-Affirmed Statement will be used as written testimony in these cases. 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.


Sean P. Miller, CPL

3/7/2023
Date



COG Operating LLC
Case No. 23334
Exhibit D-1

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 23334	APPLICANT'S RESPONSE
Date	March 2, 2023
Applicant	COG Operating LLC
Designated Operator & OGRID (affiliation if applicable)	OGRID No. 229137
Applicant's Counsel:	Hinkle Shanor LLP
Case Title:	Application of COG Operating LLC for Compulsory Pooling and Approval of Non-Standard Spacing Unit, Lea County, New Mexico
Entries of Appearance/Intervenors:	None
Well Family	Bandana
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Wolfcamp
Pool Name and Pool Code:	Dogie Draw; Wolfcamp Pool (Code 17980)
Well Location Setback Rules:	Statewide
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	960 acres
Building Blocks:	quarter-quarter
Orientation:	North/South
Description: TRS/County	S/2 of Section 12 and all of Section 13, Township 25 South, Range 34 East, Lea County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and is approval of non-standard unit requested in this application?</u>	No. Approval of Non-Standard Spacing Unit requested in this application.
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit A-4
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Bandana Fed Com 702H (API # ---) SHL: 2380' FNL & 1505' FEL (Unit G), Section 12, T25S, R34E BHL: 50' FSL & 1640' FEL (Unit O), Section 13, T25S, R34E Completion Target: Wolfcamp (Approx. 12,938' TVD)
Well #2	Bandana Fed Com 703H (API # ---) SHL: 1913' FNL & 1518' FWL (Unit F), Section 12, T25S, R34E BHL: 50' FSL & 2320' FWL (Unit N), Section 13, T25S, R34E Completion Target: Wolfcamp (Approx. 12,918' TVD)
Well #3	Bandana Fed Com 704H (API # ---) SHL: 1878' FNL & 1469' FWL (Unit F), Section 12, T25S, R34E BHL: 50' FSL & 1000' FWL (Unit M), Section 13, T25S, R34E Completion Target: Wolfcamp (Approx. 12,871' TVD)
COG Operating LLC Case No. 23333 Exhibit D-2	

Horizontal Well First and Last Take Point <i>Received by OCD: 3/7/2023 4:36:30 PM</i>	Exhibit A-3	<i>Page 6 of 10</i>
Completion Target (Formation, TVD and MD)	Exhibit A-5	
AFE Capex and Operating Costs		
Drilling Supervision/Month \$	\$8,000.00	
Production Supervision/Month \$	\$800.00	
Justification for Supervision Costs	Exhibit A	
Requested Risk Charge	200%	
Notice of Hearing		
Proposed Notice of Hearing	Exhibit A-2	
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-1, Exhibit C-2, Exhibit C-3	
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-4	
Ownership Determination		
Land Ownership Schematic of the Spacing Unit	Exhibit A-4	
Tract List (including lease numbers and owners)	Exhibit A-4	
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	Exhibit A-6	
Pooled Parties (including ownership type)	Exhibit A-4	
Unlocatable Parties to be Pooled	N/A	
Ownership Depth Severance (including percentage above & below)	N/A	
Joinder		
Sample Copy of Proposal Letter	Exhibit A-5	
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-4	
Chronology of Contact with Non-Joined Working Interests	Exhibit A-7	
Overhead Rates In Proposal Letter	Exhibit A-5	
Cost Estimate to Drill and Complete	Exhibit A-5	
Cost Estimate to Equip Well	Exhibit A-5	
Cost Estimate for Production Facilities	Exhibit A-5	
Geology		
Summary (including special considerations)	Exhibit B	
Spacing Unit Schematic	Exhibit B-1	
Gunbarrel/Lateral Trajectory Schematic	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		
C-102	Exhibit A-3	
Tracts	Exhibit A-4	
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-4	
General Location Map (including basin)	Exhibit B-1	
Well Bore Location Map	Exhibit B-1	
Structure Contour Map - Subsea Depth	Exhibit B-2	

Received by OGD: 3/7/2023 4:36:30 PM Cross Section/Location Map (including Wells)	Exhibit B-3	Page 7 of 10
Cross Section (including Landing Zone)	Exhibit B-4	
Additional Information		
Special Provisions/Stipulations	N/A	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.		
Printed Name (Attorney or Party Representative):	Dana S. Hardy	
Signed Name (Attorney or Party Representative):	/s/ Dana S. Hardy	
Date:		3/07/2023

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

DISTRICT II
611 S. FIRST ST., ARTESIA, NM 88210
Phone: (575) 746-1283 Fax: (575) 746-9720

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 17980	Pool Name Dogie Draw; Wolfcamp Pool
Property Code	Property Name BANDANA FEDERAL COM	Well Number 702H
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 3379.0'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	12	25-S	34-E		2380	NORTH	1505	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
O	13	25-S	34-E		50	SOUTH	1640	EAST	LEA

Dedicated Acres 960	Joint or Infill	Consolidation Code	Order No.
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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

FTP
2540' FSL & 1640' FEL
Y=417511.0 N
X=782703.4 E
LAT.=32.144558° N
LONG.=103.419952° W
GRID AZ. TO FTP
200°08'12"

LTP
100' FSL & 1640' FEL
Y=409791.5 N
X=782764.5 E
LAT.=32.123339° N
LONG.=103.419966° W

POINT LEGEND

1	Y=420240.2 N X=781676.4 E
2	Y=420262.1 N X=784314.9 E
3	Y=417621.7 N X=784342.6 E
4	Y=414982.8 N X=784360.8 E
5	Y=412343.2 N X=784383.0 E
6	Y=409704.5 N X=784405.3 E
7	Y=409683.6 N X=781763.9 E
8	Y=414964.0 N X=781718.7 E

NAD 27 NME SURFACE LOCATION
Y=417869.7 N
X=782834.9 E
LAT.=32.145541° N
LONG.=103.419517° W

NAD 27 NME PROPOSED BOTTOM HOLE LOCATION
Y=409741.5 N
X=782764.9 E
LAT.=32.123201° N
LONG.=103.419966° W

LEASE X-ING
LAT.=32.130329° N
LONG.=103.419962° W

GRID AZ. - 179°32'46"
HORZ. DIST. - 7769.7'

2380'
1505'
50' B.H. 1640'

OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Printed Name _____

E-mail Address _____

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

DECEMBER 19, 2020

Date of Survey _____

Signature & Seal of Professional Surveyor

Chad Harcrow 6/20/22

Certificate No. CHAD HARCROW 17777
W.O. #22-624 DRAWN BY: BD

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code 17980	Pool Name Dogie Draw; Wolfcamp Pool
Property Code	Property Name BANDANA FEDERAL COM		Well Number 703H
OGRID No. 229137	Operator Name COG OPERATING, LLC		Elevation 3395.4'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	12	25-S	34-E		1913	NORTH	1518	WEST	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
N	13	25-S	34-E		50	SOUTH	2320	WEST	LEA

Dedicated Acres 960	Joint or Infill	Consolidation Code	Order No.
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FTP
2540' FSL & 2320' FWL
Y=417501.8 N
X=781378.2 E
LAT.=32.144564° N
LONG.=103.424233° W
GRID AZ. TO FTP
135°19'15"

LTP
100' FSL & 2320' FWL
Y=409781.8 N
X=781440.2 E
LAT.=32.123343° N
LONG.=103.424244° W

LEASE X-ING
LAT.=32.130341° N
LONG.=103.424240° W

GRID AZ. - 179°32'24"
HORZ. DIST. - 7770.2'

SECTION 12
SECTION 13

B.H. 50'

NAD 27 NME
SURFACE LOCATION
Y=418320.8 N
X=780568.4 E
LAT.=32.146834° N
LONG.=103.426827° W

POINT LEGEND	
1	Y=420224.8 N X=779029.7 E
2	Y=417585.8 N X=779057.5 E
3	Y=414947.3 N X=779078.8 E
4	Y=412315.7 N X=779098.3 E
5	Y=409669.3 N X=779121.1 E
6	Y=409683.6 N X=781763.6 E
7	Y=414964.0 N X=781718.7 E
8	Y=420240.2 N X=781676.4 E

NAD 27 NME
PROPOSED BOTTOM HOLE LOCATION
Y=409731.9 N
X=781440.6 E
LAT.=32.123205° N
LONG.=103.424244° W

OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Printed Name _____

E-mail Address _____

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

DECEMBER 19, 2020

Date of Survey _____

Signature & Seal of Professional Surveyor

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6/20/22

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API Number		Pool Code	Pool Name
		17980	Dogie Draw; Wolfcamp Pool
Property Code	Property Name		Well Number
	BANDANA FEDERAL COM		704H
OGRID No.	Operator Name		Elevation
229137	COG OPERATING, LLC		3395.5'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	12	25-S	34-E		1878	NORTH	1469	WEST	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
M	13	25-S	34-E		50	SOUTH	1000	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
960			

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FIP
2540' FSL & 1000' FWL
Y=417493.4 N
X=780058.3 E
LAT.=32.144571° N
LONG.=103.428498° W
GRID AZ. TO FIP
208°07'30"

LTP
100' FSL & 1000' FWL
Y=409774.7 N
X=780120.3 E
LAT.=32.123354° N
LONG.=103.428507° W

LEASE X-ING
LAT.=32.133972° N
LONG.=103.428502° W

PROPOSED BOTTOM HOLE LOCATION
Y=409724.7 N
X=780120.7 E
LAT.=32.123216° N
LONG.=103.428507° W

OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

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E-mail Address _____

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Signature & Seal of Professional Surveyor

Chad Harcrow 6/20/22

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W.O. # 22-627 DRAWN BY: AH