

**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

COG Operating LLC (“COG” or “Applicant”) (OGRID No. 229137), through its undersigned attorneys, files this application with the Oil Conservation Division for an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 560-acre, more or less, horizontal well spacing unit comprised of the S2NW4 and SW4 of Sections 35, Township 18 South, Range 34 East, and Lots 3 and 4, the S2NW4, and SW4 (W2 equivalent) of irregular Section 2, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico. In support of this application, COG states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.

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

- **Moaning Pheasant State Com 401H** and the **Moaning Pheasant State Com 501H** to be horizontally drilled from a surface location in the NW4 of Section 35, with first take points in the SE4NW4 (Unit F) of Section 35 and last take points in the SE4SW4 (Unit N) of Section 2, and
- **Moaning Pheasant State Com 402H** and the **Moaning Pheasant State Com 502H** to be horizontally drilled from a surface location in the NW4 of Section 35,

with first take points in the SW4NW4 (Unit E) of Section 35 and last take points in the SW4SW4 (Unit M) of Section 2.

3. The completed interval of the **Moaning Pheasant State Com 402H** well is expected to remain within 330 feet of the offsetting quarter-quarter sections or equivalent tracts to allow inclusion in the proposed horizontal well spacing unit.

4. Applicant 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 allow Applicant to obtain a just and fair share of the oil and gas underlying the subject lands, avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on December 7, 2023, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the proposed horizontal well spacing unit;
- C. Designating Applicant as the operator of this spacing 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,

HOLLAND & HART LLP

By: 

Michael H. Feldewert

Adam G. Rankin

Paula M. Vance

Post Office Box 2208

Santa Fe, New Mexico 87504-2208

(505) 988-4421

(505) 983-6043 Facsimile

mfeldewert@hollandhart.com

agrarkin@hollandhart.com

pmvance@hollandhart.com

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 560-acre, more or less, horizontal spacing unit comprised of the S2NW4 and SW4 of Sections 35, Township 18 South, Range 34 East, and Lots 3 and 4, the S2NW4, and SW4 (W2 equivalent) of irregular Section 2, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the following proposed wells:

- **Moaning Pheasant State Com 401H** and the **Moaning Pheasant State Com 501H** to be horizontally drilled from a surface location in the NW4 of Section 35, with first take points in the SE4NW4 (Unit F) of Section 35 and last take points in the SE4SW4 (Unit N) of Section 2, and
- **Moaning Pheasant State Com 402H** and the **Moaning Pheasant State Com 502H** to be horizontally drilled from a surface location in the NW4 of Section 35, with first take points in the SW4NW4 (Unit E) of Section 35 and last take points in the SW4SW4 (Unit M) of Section 2.

The completed interval of the Moaning Pheasant State Com 402H well is expected to remain within 330 feet of the offsetting quarter-quarter sections or equivalent tracts to allow inclusion in the proposed horizontal well spacing unit. 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 the wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.