

**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 (“Applicant”), through its undersigned attorneys, files this application with the Oil Conservation Division for an order pooling all uncommitted interests in the Wolfcamp formation underlying a standard 320-acre, more or less, horizontal well spacing unit comprised of the E2E2 of Sections 20 & 29, Township 24 South, Range 32 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 designate COG Production LLC (OGRID No. 217955) as the operator of the proposed spacing unit.
3. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Azores Federal Com 701H** and **Azores Federal Com 702H** wells to be horizontally drilled from a surface location in the SE4 of Section 29, with first take points in the SE4SE4 (Unit P) of Section 29 and last take points in the NE4NE4 (Unit A) of Section 20.
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 January 4, 2024, 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 COG Production LLC 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,

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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 Wolfcamp formation underlying a standard 320-acre, more or less, horizontal well spacing unit comprised of the E2E2 of Sections 20 & 29, Township 24 South, Range 32 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed **Azores Federal Com 701H** and **Azores Federal Com 702H** wells to be horizontally drilled from a surface location in the SE4 of Section 29, with first take points in the SE4SE4 (Unit P) of Section 29 and last take points in the NE4NE4 (Unit A) of Section 20. 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 COG Production LLC as operator, and the imposition of 200% charge for risk involved in drilling and completing the wells. Said area is located approximately 29 miles northwest of Jal, New Mexico.