

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

**APPLICATION OF COG OPERATING LLC
FOR APPROVAL OF AN OVERLAPPING
HORIZONTAL WELL SPACING UNIT AND
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 (a) approving a standard 959.23-acre, more or less, overlapping horizontal well spacing unit in the Third Bone Spring interval of the Bone Spring formation comprised of Lots 1 & 2, S/2 NE/4, and the SE/4 of irregular Section 2 (E/2 equivalent) and the E/2 of Sections 11 and 14, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico, and (b) pooling this proposed horizontal well spacing unit. In support of this application, COG states:

1. Applicant is a working interest owner in the proposed overlapping horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Redtail Federal Com 602H** well to be horizontally drilled from a surface location in the NE/4 of Section 2, with a first take point in Lot 2 of irregular Section 2 and the last take point in the SW/4 SE/4 (Unit O) of Section 14.
3. This horizontal well spacing unit will overlap the following existing Bone Spring spacing units:
 - 160-acre horizontal well spacing unit comprised of Lot 1, SE/4 NE/4 and the E/2 SE/4 of irregular Section 2 (E/2 E/2 equivalent), dedicated to COG’s Redtail State Com 1H (API: 30-025-40181);

- 160-acre horizontal wells spacing unit comprised of the E/2 E/2 of Section 14, dedicated to Cimarex Energy Co. of Colorado's Cuervo Federal 20H (API: 30-025-40559) and Cuervo Federal 26H (API: 30-025-42094); and
- 160-acre horizontal wells spacing unit comprised of the W/2 E/2 of Section 14, dedicated to Cimarex Energy Co. of Colorado's Cuervo Federal 21H (API: 30-025-41495).

4. The completed interval of the **Redtail Federal Com 602H** is expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed horizontal spacing unit under 19.15.16.15.B(1)(b) NMAC.

5. An ownership depth severance exists in the Bone Spring formation, within the proposed horizontal well spacing unit. Accordingly, Applicant seeks to pool only the Third Bone Spring interval of the Bone Spring formation, defined as the stratigraphic equivalent of between 11,104 feet and 12,312 feet total vertical depth, as seen in the Triste Draw Federal #2 (API 30-025-27708). COG will provide notice of this hearing to the vertical offset parties within the pool who are not subject to this pooling application.

6. Applicant has reached a voluntary agreement with all working interest owners in this proposed unit but seeks a pooling order for certain non-cost-bearing interest owners, including overriding royalty interest owners and record title owners, who have yet to execute the necessary federal and state communitization agreements.

7. The pooling of interests in the proposed unit 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 March 7, 2024, and, after notice and hearing as required by law, the Division enter an order:

- A. Approving the overlapping horizontal well spacing unit and pooling certain overriding royalty interest owners and record title owners in the proposed overlapping horizontal well spacing unit; and
- B. Designating Applicant as the operator of this spacing unit and the horizontal well to be drilled thereon.

Respectfully submitted,

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ATTORNEYS FOR COG OPERATING LLC

CASE _____:

Application of COG Operating LLC for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling certain non-cost bearing owners with an interest in the Third Bone Spring interval of the Bone Spring formation underlying a standard 959.23-acre, more or less, horizontal well spacing unit comprised of Lots 1 & 2, S/2 NE/4, SE/4 of irregular Section 2 (E/2 equivalent) and the E/2 of Sections 11 and 14, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Redtail Federal Com 602H** well to be horizontally drilled from a surface location in the NE/4 of Section 2, with a first take point in Lot 2 of irregular Section 2 and the last take point in the SW/4 SE/4 (Unit O) of Section 14. This horizontal well spacing unit will overlap the following existing Bone Spring spacing units:

- 160-acre horizontal well spacing unit comprised of Lot 1, SE/4 NE/4 and the E/2 SE/4 of irregular Section 2 (E/2 E/2 equivalent), dedicated to COG's Redtail State Com 1H (API: 30-025-40181);
- 160-acre horizontal wells spacing unit comprised of the E/2 E/2 of Section 14, dedicated to Cimarex Energy Co. of Colorado's Cuervo Federal 20H (API: 30-025-40559) and Cuervo Federal 26H (API: 30-025-42094); and
- 160-acre horizontal wells spacing unit comprised of the W/2 E/2 of Section 14, dedicated to Cimarex Energy Co. of Colorado's Cuervo Federal 21H (API: 30-025-41495).

The completed interval of the **Redtail Federal Com 602H** is expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed horizontal spacing unit under 19.15.16.15.B(1)(b) NMAC. An ownership depth severance exists in the Bone Spring formation, within the proposed horizontal well spacing unit. Accordingly, Applicant seeks to pool only the Third Bone Spring interval of the Bone Spring formation, defined as the stratigraphic equivalent of between 11,104 feet and 12,312 feet total vertical depth, as seen in the Triste Draw Federal #2 (API 30-025-27708). Said area is located approximately 25 miles east of Malaga, New Mexico.