

**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”), through undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling a standard 320-acre, more or less, horizontal well spacing unit in the Bone Spring formation (lower interval) comprised of E2W2 of Sections 16 and 21, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. In support of its 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 Matador Production Company (OGRID No. 228937) as the operator of the proposed horizontal well spacing unit.
3. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **John Callahan Fed Com 132H** and the **John Callahan Fed Com 156H** wells, to be horizontally drilled from a surface location in the SW4 of Section 21, with first take points located in the SE4SW4 (Unit N) of Section 21 and last take points located NE4NW4 (Unit C) of Section 16.
4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all 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 March 7, 2024, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interest in the proposed horizontal well spacing unit;
- B. Designating Matador Production Company as operator of this horizontal spacing unit and the horizontal wells to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, completing, and equipping the wells;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% penalty 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 

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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 a standard 320-acre, more or less, horizontal well spacing unit in the Bone Spring formation (lower interval) comprised of E2W2 of Sections 16 and 21, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed **John Callahan Fed Com 132H** and **the John Callahan Fed Com 156H** wells, to be horizontally drilled from a surface location in the SW4 of Section 21, with first take points located in the SE4SW4 (Unit N) of Section 21 and last take points located NE4NW4 (Unit C) of Section 16. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 12 miles northwest of Jal, New Mexico.