



COG OPERATING LLC
Honey Graham State Com 701H-704H & 706H
Eddy County, New Mexico

Case No. 24576
BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING June 27, 2024



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

**APPLICATION OF COG OPERATING LLC
TO AMEND ORDER NO. R-21107-A, DISMISS
ORDER NO. R-21052, AND FOR COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO.**

CASE NO. 24576

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COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 24576	APPLICANT'S RESPONSE
Date	June 27, 2024
Applicant	COG Operating LLC
Designated Operator & OGRID (affiliation if applicable)	COG Operating LLC (OGRID No. 229137)
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF COG OPERATING LLC TO AMEND ORDER NO. R-21107-A, DISMISS ORDER NO. R-21052, AND FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	N/A
Well Family	Honey Graham
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Gas
Pooling this vertical extent:	N/A
Pool Name and Pool Code (Only if NSP is requested):	N/A
Well Location Setback Rules (Only if NSP is Requested):	N/A
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres
Building Blocks:	1,535.08 acre
Orientation:	Standup
Description: TRS/County	Sections 20 and 29, and the N/2 N/2 and Lots 1-4 of irregular Section 32 (N/2 equivalent), Township 26 South, Range 28 East, NMPM, Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes <div style="text-align: right; font-size: small;"> <p>BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. A Submitted by: COG Operating LLC Hearing Date: June 27, 2024 Case no. 24576</p> </div>
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	Yes
Proximity Defining Well: if yes, description	Yes; the completed interval of the Honey Graham State Com 706H well is expected to remain within 330 feet of the offsetting quarter section or equivalent tracts to include that acreage in a standard horizontal well spacing unit.

Applicant's Ownership in Each Tract	Exhibit C-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	<u>Honey Graham State Com 701H well</u> API: 30-015-46381 SHL: 320' FNL, 745' FEL (Unit A) of Section 20 BHL: 200' FSL, 550' FEL (Lot 4) of Section 32 Target: Wolfcamp Orientation: Standup Completion: Standard
Well #2	<u>Honey Graham State Com 702H well</u> API: 30-015-46385 SHL: 320' FNL, 1,185' FWL (Unit D) of Section 20 BHL: 200' FSL, 1,670' FWL (Lot 2) of Section 32 Target: Wolfcamp Orientation: Standup Completion: Standard
Well #3	<u>Honey Graham State Com 703H well</u> API: 30-015-46386 SHL: 320' FNL, 1,155' FWL (Unit D) of Section 20 BHL: 200' FSL, 670' FWL (Lot 1) of Section 32 Target: Wolfcamp Orientation: Standup Completion: Standard
Well #4	<u>Honey Graham State Com 704H well</u> SHL: 850' FNL, 1,755' FEL (Unit B) of Section 20 BHL: 200' FSL, 1,580' FEL (Lot 3) of Section 32 Target: Wolfcamp Orientation: Standup Completion: Standard
Well #5	<u>Honey Graham State Com 706H well</u> SHL: 850' FNL, 1,785' FEL (Unit B) of Section 20 BHL: 200' FSL, 2,600' FEL (Lot 3) of Section 32 Target: Wolfcamp Orientation: Standup Completion: Proximity Tract
Horizontal Well First and Last Take Points	Exhibit C-2
Completion Target (Formation, TVD and MD)	Exhibit D-4
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	N/A
Production Supervision/Month \$	N/A
Justification for Supervision Costs	N/A
Requested Risk Charge	N/A

Notice of Hearing	
Proposed Notice of Hearing	Exhibit B
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E, E-1, E-2
Proof of Published Notice of Hearing (10 days before hearing)	F
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit C-3
Tract List (including lease numbers and owners)	Exhibit C-3
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit C-4
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	N/A
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-4
Chronology of Contact with Non-Joined Working Interests	Exhibit C-5
Overhead Rates In Proposal Letter	N/A
Cost Estimate to Drill and Complete	N/A
Cost Estimate to Equip Well	N/A
Cost Estimate for Production Facilities	N/A
Geology	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D-1
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit D
Target Formation	Exhibit D, D-4
HSU Cross Section	Exhibit D-3
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit C-2
Tracts	Exhibit C-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-4
General Location Map (including basin)	Exhibit D-1
Well Bore Location Map	Exhibit D-1
Structure Contour Map - Subsea Depth	Exhibit D-2

Cross Section Location Map (including wells)	Exhibit D-3
Cross Section (including Landing Zone)	Exhibit D-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):	Paula M. Vance
Signed Name (Attorney or Party Representative):	
Date:	6/20/2024

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

**APPLICATION OF COG OPERATING LLC TO
AMEND ORDER NO. R-21107-A, DISMISS
ORDER NO. R-21052, AND FOR COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO.**

CASE NO. 24576

APPLICATION

COG Operating LLC (“COG” or “Applicant”) (OGRID No. 229137), through its undersigned attorneys, files this application with the Oil Conservation Division (“Division”) to amend pooling Order No. R-21107-A to incorporate the acreage under Order No. R-21052, dismiss Order No. R-21052, and pool all uncommitted interests in the Wolfcamp formation underlying standard 1,535.08-acre, more or less, horizontal well spacing unit comprised of the Sections 20 and 29, and the N/2 N/2 and Lots 1-4 of irregular Section 32 (N/2 equivalent), Township 26 South, Range 28 East, NMPM, Eddy County, New Mexico. In support of this application, COG states:

1. COG is the designated operator under Order No. R-21107-A and Order No. R-21052. Order No. R-21107-A was entered into on June 12, 2020, and Order No. R-21052 was entered into on January 20, 2020.

2. Order No. R-21107-A, under Case No. 21308, adopted the terms and conditions of the Amended Order Template. Order No. R-21107, under Case No. 20903, pooled uncommitted mineral interest in the Wolfcamp formation (Purple Sage-Wolfcamp Gas Pool [98220]) underlying a standard 767.51-acre horizontal well spacing unit comprised of the W/2 of Sections 20 and 29, and the N/2 NW/4 and Lots 1-2 or irregular Section 32 (NW/4 equivalent), Township 26 South, Range 28 East, NMPM, Eddy County, New Mexico. This standard horizontal well spacing unit is dedicated to the **Honey Graham State Com 702H** (API No. 30-015-46385) drilled from a surface

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Santa Fe, New Mexico
Exhibit No. B
Submitted by: COG Operating LLC
Hearing Date: June 27, 2024
Case no. 24576**

location in the NW/4 NW/4 (Unit D) of Section 20, a first take point in the NE/4 NW/4 (Unit C) of Section 20 and a last take point in Lot 2 (SE/4 NW/4 equivalent), and **Honey Graham State Com 703H** (API No. 30-015-46386) drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 20, a first take point in the NW/4 NW/4 (Unit D) of Section 20 and a last take point in Lot 1 (SW/4 NW/4 equivalent).

3. Order R-21052, under Case No. 20928, pooled uncommitted mineral interest in the Wolfcamp formation (Purple Sage-Wolfcamp Gas Pool [98220]) underlying a standard 767.57-acre horizontal well spacing unit comprised of the E/2 of Sections 20 and 29, and the N/2 NE/4 and Lots 3-4 or irregular Section 32 (NE/4 equivalent), Township 26 South, Range 28 East, NMPM, Eddy County, New Mexico. This standard horizontal well spacing unit is dedicated to the **Honey Graham State Com 701H** (API No. 30-015-46381) drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 20, a first take point in the NE/4 NE/4 (Unit A) of Section 20 and a last take point in Lot 4 (SE/4 NE/4 equivalent).

4. Applicant requests to combine the dedicated acreage from the two original units to form a standard 1,535.08-acre, more or less, horizontal well spacing unit in the Wolfcamp formation comprised of the Sections 20 and 29, and the N/2 N/2 and Lots 1-4 of irregular Section 32 (N/2 equivalent), Township 26 South, Range 28 East, NMPM, Eddy County, New Mexico. This standard spacing unit will be rededicated to the existing wells, and include the following additional wells:

- **Honey Graham State Com 704H** (API No. 30-015-PENDING), which will be drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 20, a first take point in the NW/4 NE/4 (Unit B) of Section 20 and a last take point in Lot 3 (SW/4 NE/4 equivalent); and

- **Honey Graham State Com 706H** (API No. 30-015-PENDING), which will be drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 20, a first take point in the NE/4 NW/4 (Unit C) of Section 20 and a last take point in Lot 3 (SW/4 NE/4 equivalent). The completed interval of the **Honey Graham State Com 706H** well is expected to remain within 330 feet of the offsetting quarter section or equivalent tracts to include that acreage in a standard horizontal well spacing unit.

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

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on June 27, 2024, and, after notice and hearing as required by law, the Division enter an order:

- A. Amending pooling Order No. R-21107-A to incorporate the acreage under Order No. R-21052, and dedicate the new spacing unit to the existing and proposed wells;
- B. Dismiss Order No. R-21052; and
- C. Pool certain overriding royalty interest owners and record title owners in the proposed horizontal well spacing unit.

Respectfully submitted,

HOLLAND & HART LLP

By: _____

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ATTORNEYS FOR COG OPERATING LLC

CASE _____: **Application of COG Operating LLC to amend Order No. R-21107-A, , dismiss Order No. R-21052, and for Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks to amend pooling Order No. R-21107-A to incorporate the acreage under Order No. R-21052, dismiss Order No. R-21052, and pool all uncommitted interests in the Wolfcamp formation underlying standard 1,535.08-acre, more or less, horizontal well spacing unit comprised of the Sections 20 and 29, and the N/2 N/2 and Lots 1-4 of irregular Section 32 (N/2 equivalent), Township 26 South, Range 28 East, NMPM, Eddy County, New Mexico. The new unit will be dedicated to the following existing and proposed wells:

- The existing **Honey Graham State Com 702H** (API No. 30-015-46385) drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 20, a first take point in the NE/4 NW/4 (Unit C) of Section 20 and a last take point in Lot 2 (SE/4 NW/4 equivalent), and existing **Honey Graham State Com 703H** (API No. 30-015-46386) drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 20, a first take point in the NW/4 NW/4 (Unit D) of Section 20 and a last take point in Lot 1 (SW/4 NW/4 equivalent);
- The existing **Honey Graham State Com 701H** (API No. 30-015-46381) drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 20, a first take point in the NE/4 NE/4 (Unit A) of Section 20 and a last take point in Lot 4 (SE/4 NE/4 equivalent);
- The proposed **Honey Graham State Com 704H** to be drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 20, a first take point in the NW/4 NE/4 (Unit B) of Section 20 and a last take point in Lot 3 (SW/4 NE/4 equivalent); and
- The proposed **Honey Graham State Com 706H** to be drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 20, a first take point in the NE/4 NW/4 (Unit C) of Section 20 and a last take point in Lot 3 (SW/4 NE/4 equivalent).

The completed interval of the **Honey Graham State Com 706H** well is expected to remain within 330 feet of the offsetting quarter section or equivalent tracts to include that acreage in a standard horizontal well spacing unit. Said area is located approximately 14 miles southwest of Malaga, New Mexico.

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

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ORDER NO. R-21052, AND FOR COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO.**

CASE NO. 24576

SELF-AFFIRMED STATEMENT OF SHELLEY KLINGLER

1. My name is Shelley Klingler, and I am a Landman with COG Operating LLC (“COG”), now a wholly-owned subsidiary of ConocoPhillips Company.

2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials as a petroleum landman have been accepted by the Division and made a matter of record.

3. I am familiar with the application filed by COG in this case and the status of the lands in the subject area.

4. In **Case No. 24576**, COG seeks to amend pooling Order No. R-21107-A to incorporate the acreage under Order No. R-21052, dismiss Order No. R-21052, and pool all uncommitted interests in the Wolfcamp formation underlying a standard 1,535.08-acre, more or less, horizontal well spacing unit comprised of all of Sections 20 and 29, and the N/2 N/2 and Lots 1-4 of irregular Section 32 (N/2 equivalent), Township 26 South, Range 28 East, NMPM, Eddy County, New Mexico.

5. COG is the designated operator under Order No. R-21107-A and Order No. R-21052. *See COG Exhibit C-1.* Order No. R-21107-A was entered into on June 12, 2020, and Order No. R-21052 was entered into on January 20, 2020.

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Santa Fe, New Mexico
Exhibit No. C
Submitted by: COG Operating LLC
Hearing Date: June 27, 2024
Case no. 24576**

6. Order No. R-21107-A, under Case No. 21308, adopted the terms and conditions of the Amended Order Template. Order No. R-21107, under Case No. 20903, pooled uncommitted mineral interests in the Wolfcamp formation (Purple Sage-Wolfcamp Gas Pool [98220]) underlying a standard 767.51-acre horizontal well spacing unit comprised of the W/2 of Sections 20 and 29, and the N/2 NW/4 and Lots 1-2 of irregular Section 32 (NW/4 equivalent), Township 26 South, Range 28 East, NMPM, Eddy County, New Mexico. *See COG Exhibit C-1.* This standard horizontal well spacing unit is dedicated to the producing **Honey Graham State Com 702H** (API No. 30-015-46385), drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 20, a first take point in the NE/4 NW/4 (Unit C) of Section 20 and a last take point in Lot 2 (SE/4 NW/4 equivalent); and the producing **Honey Graham State Com 703H** (API No. 30-015-46386), drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 20, a first take point in the NW/4 NW/4 (Unit D) of Section 20 and a last take point in Lot 1 (SW/4 NW/4 equivalent).

7. Order R-21052, under Case No. 20928, pooled uncommitted mineral interests in the Wolfcamp formation (Purple Sage-Wolfcamp Gas Pool [98220]) underlying a standard 767.57-acre horizontal well spacing unit comprised of the E/2 of Sections 20 and 29, and the N/2 NE/4 and Lots 3-4 of irregular Section 32 (NE/4 equivalent), Township 26 South, Range 28 East, NMPM, Eddy County, New Mexico. This standard horizontal well spacing unit is dedicated to the producing **Honey Graham State Com 701H** (API No. 30-015-46381), drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 20, a first take point in the NE/4 NE/4 (Unit A) of Section 20 and a last take point in Lot 4 (SE/4 NE/4 equivalent).

8. Applicant requests to combine the dedicated acreage from the two original units to form a standard 1,535.08-acre, more or less, horizontal well spacing unit in the Wolfcamp

formation comprised of all of Sections 20 and 29, and the N/2 N/2 and Lots 1-4 of irregular Section 32 (N/2 equivalent), Township 26 South, Range 28 East, NMPM, Eddy County, New Mexico. This standard spacing unit will be rededicated to the existing wells, and include the following additional wells:

- **Honey Graham State Com 704H** (API No. 30-015-PENDING), which will be drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 20, a first take point in the NE/4 NE/4 (Unit A) of Section 20 and a last take point in Lot 3 (SW/4 NE/4 equivalent); and
- **Honey Graham State Com 706H** (API No. 30-015-PENDING), which will be drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 20, a first take point in the NE/4 NW/4 (Unit C) of Section 20 and a last take point in Lot 3 (SW/4 NE/4 equivalent). The completed interval of the **Honey Graham State Com 706H** well is expected to remain within 330 feet of the offsetting quarter section or equivalent tracts to include that acreage in a standard horizontal well spacing unit.

9. Applicant has reached a voluntary agreement with all working interest owners in this proposed unit and seeks to only pool certain non-cost-bearing interest owners, including an overriding royalty interest owner and record title owner, who have yet to execute the necessary state communitization agreements.

10. **COG Exhibit C-2** contains updated C-102s for the wells currently drilled under the existing orders, as well as the proposed wells to be added to the amended order. This form demonstrates that the completed interval for the wells will comply with Special Pool Rules for the Purple Sage Wolfcamp [98220].

11. The completed interval of the **Honey Graham State Com 706H** well is expected to remain within 330 feet of the offsetting quarter section or equivalent tracts to include that acreage in a standard horizontal well spacing unit.

12. **COG Exhibit C-3** identifies the tracts of land comprising the proposed spacing unit and associated lease numbers, which consists of state and fee acreage.

13. COG 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 an overriding royalty interest owner and non-participating royalty interest owner. The parties that COG seeks to pool are highlighted in green in **COG Exhibit C-4**.

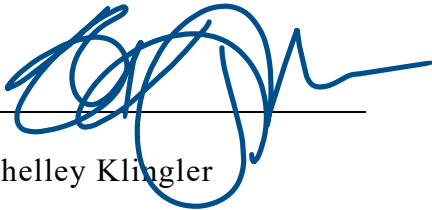
14. **COG Exhibit C-5** is a chronology of contacts, which reflects a summary of my efforts to locate and communicate with each of the parties that COG seeks to pool. In my opinion, COG has undertaken good-faith, diligent efforts to locate and reach an agreement with each interest owner.

15. Because the interests COG seeks to pool are non-cost bearing interests, COG is not requesting to assess a proportionate share of costs, risk charges, or overhead and administrative costs for drilling and producing the existing or proposed wells.

16. COG has provided the law firm of Holland & Hart LLP with the names and addresses of the parties COG seeks to pool. In providing names and addresses, COG has examined the county records, conducted computer searches and engaged in other good faith efforts to locate the most recent addresses for all of the parties that it seeks to pool.

17. **COG Exhibit C-1 and C-5** were either prepared by me or compiled under my direction and supervision, or contain company business records.

18. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.



Shelley Klingler

6/19/2024 _____

Date

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. C-1

Submitted by: COG Operating LLC

Hearing Date: June 27, 2024

Case no. 24576

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

IN THE MATTER OF THE HEARING CALLED BY
THE OIL CONSERVATION DIVISION TO
CONSIDER:

CASE NO. 20928
ORDER NO. R-21052

APPLICATION OF COG OPERATING LLC FOR
COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on December 12, 2019, at Santa Fe, New Mexico, before Examiner Dylan Coss.

NOW, on this 29th day of January 2020, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT

- (1) Due public notice has been given and the Division has jurisdiction of this case and the subject matter.
- (2) Applicant seeks to compulsory pool all uncommitted oil and gas interests within a spacing unit, as that unit is described in the attached Exhibit "A".
- (3) Applicant seeks to dedicate the Proposed Well(s) detailed in Exhibit "A" to the Unit.
- (4) EOG Resources Inc entered an appearance. No other party appeared or otherwise opposed the case.
- (5) Applicant appeared at the hearing through counsel and presented evidence to the effect that:
 - (a) All completed well locations are expected to be standard or Applicant will apply administratively for approval of location exceptions.
 - (b) Notice by certified mail was provided to all uncommitted interest owners in the proposed Unit whose interests were evidenced by a conveyance

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instrument, either of record or known to Applicant when the Application was filed, and to heirs known to Applicant of deceased persons who appear as owners in such instrument.

- (c) Notice to certain affected parties was posted in a newspaper of general circulation in the county as provided in Rule 19.15.4.12.B NMAC.

The Division finds and concludes that

(6) If the location of any of the Well(s) is unorthodox when the well is completed under the spacing rules then in effect and applicable to the well, the operator must obtain a non-standard location approval prior to producing the well.

(7) Two or more separately owned tracts are embraced within the Unit, and/or there are royalty interests and/or undivided interests in oil and gas minerals in one or more tracts included in the Unit that are separately owned.

(8) Applicant is owner of an oil and gas working interest within the Unit. Applicant has the right to drill and proposes to drill the Well(s) to a common source of supply within the Unit at the described depths and location(s). Applicant should be allowed a one year period to complete at least one of the Well(s) after commencing drilling of the Well(s).

(9) There are interest owners in the Unit that have not agreed to pool their interests.

(10) To avoid the drilling of unnecessary wells, protect correlative rights, prevent waste and afford to the owner of each interest in the Unit the opportunity to recover or receive without unnecessary expense a just and fair share of hydrocarbons, this application should be approved by pooling all uncommitted interests, whatever they may be, in the oil and gas in the pooled depth interval within the Unit.

(11) To ensure protection of correlative rights, any pooled working interest owner whose address is known, and who has elected to participate under the terms of this order should be notified before the Division grants any extension of the time provided herein for commencing drilling. Any such owner may file an application, with notice to the operator, requesting that the extension be denied.

(12) Infill wells within the Unit should be subject to Division Rules 19.15.13.9 NMAC through 19.15.13.10 NMAC, and to the terms and conditions of this order.

(13) Any pooled working interest owner who does not pay its share of estimated well costs of any well should have withheld from production from such well its share of reasonable well costs plus an additional reasonable charge [see Exhibit "A"] for the risk involved in drilling the Well(s).

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IT IS THEREFORE ORDERED THAT

(1) All uncommitted interests, whatever they may be, in the oil and gas within the spacing unit (or the portion thereof within the pooled vertical extent) described in Exhibit "A" are hereby pooled. Exhibit "A" hereto is incorporated herein by this reference and made a part of this order for all purposes.

(2) The Unit shall be dedicated to the proposed "Well(s)".

(3) If any of the Well(s) is completed at an unorthodox location under applicable rules in effect at the time such well is completed, the operator shall provide notice and apply administratively for a location exception prior to producing the well.

(4) The operator of the Unit shall commence drilling the Well(s) on or before the end of the month corresponding to the date of this order, in the year following the date of issuance of this order and shall thereafter continue drilling the Well(s) with due diligence to test the pooled formation or pooled vertical depths. The Well(s) shall be drilled approximately to the proposed true vertical and measured depths.

(5) In the event the operator does not commence drilling the Well(s) on or before the date provided in the foregoing paragraph, the compulsory pooling provision of this order shall be of no effect, unless the operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.

(6) In the event the operator does not commence completion operations within one year after commencement of drilling operations pursuant to this order, then the compulsory pooling provisions of this order shall be of no effect unless operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.

(7) The operator shall provide a copy of any request for extension of time to drill or complete any well filed with the Director pursuant to this order to each pooled working interest owner who has elected to participate in the drilling of any well that is the subject of the request. Such copy shall be sent at the same time the request is sent to the Director.

(8) Upon final plugging and abandonment of the Well(s) and any other well drilled on the Unit pursuant to Division Rule 19.15.13.9 NMAC, the pooled unit created by this order shall terminate unless this order has been amended to authorize further operations.

(9) Infill wells within the Unit shall be subject to Division Rule 19.15.13.9 NMAC and to the terms and conditions of this order.

(10) After pooling, uncommitted working interest owners are referred to as pooled working interest owners. ("Pooled working interest owners" are owners of working interests in

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the Unit, including unleased mineral interests, who are not parties to an operating agreement governing the Unit.) After the effective date of this order, the operator shall furnish the Division and each known pooled working interest owner in the Unit separate itemized schedules of estimated costs of drilling, completing and equipping each of the Well(s) ("well costs").

(11) Within 30 days from the date the schedule of estimated well costs for any well is furnished, any pooled working interest owner shall have the right to elect to pay its share of estimated well costs to the operator in lieu of paying its share of reasonable well costs out of production as hereinafter provided. Payment shall be rendered within 30 days after expiration of the 30-day election period and any such owner who pays its share of estimated well costs as provided above for any well shall remain liable for operating costs but shall not be liable for risk charges to the extent computed based on costs of such well. Pooled working interest owners who do not elect to pay their share of estimated well costs, or who do not render timely payment to the operator, as provided in this paragraph shall thereafter be referred to as "non-consenting working interest owners."

(12) The operator shall furnish the Division and each known pooled working interest owner (including non-consenting working interest owners) an itemized schedule of actual well costs of each well within 180 days following completion of the proposed well. If no objection to the actual well costs for any well is received by the Division, and the Division has not objected, within 45 days following receipt of the schedule for such well, the actual well costs shall be deemed to be the reasonable well costs. If there is an objection to actual well costs within the 45-day period, the Division will determine reasonable well costs for such well after public notice and hearing.

(13) Within 60 days following determination of reasonable well costs for any well, any pooled working interest owner who has paid its share of estimated costs of such well in advance as provided above shall pay to the operator its share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator the amount, if any, that the estimated well costs it has paid for such well exceed its share of reasonable well costs.

(14) The operator is hereby authorized to withhold the following costs and charges from each non-consenting working interest owner's share of production from each well:

- (a) the proportionate share of reasonable well costs attributable to the non-consenting working interest owner; and
- (b) as a charge for the risk involved in drilling the well, the percent (shown in Exhibit "A") of the above costs.

(15) During the cost recovery period, the operator shall furnish to the Division and to each known non-consenting pooled working interest owner, annually, and within 90 days after payout occurs, a schedule of all revenues attributable to each proposed well, and all charges for supervision and operating costs charged against such revenues. Operating costs shall include all reasonable costs incurred for the maintenance and operation of the well, except for "well costs"

Case No. 20928
Order No. R-21052
Page 5 of 7

reported pursuant to prior ordering paragraphs, that are properly chargeable to the joint account pursuant to COPAS procedures. If no objection to the operating costs is received by the Division, and the Division has not objected, within 45 days following receipt of any schedule, the costs shall be deemed to be the reasonable operating costs. If there is an objection to the accuracy or reasonableness of operating costs reported within the 45-day period, the Division will determine reasonable operating costs after public notice and hearing.

(16) The operator shall distribute the costs and charges withheld from production, proportionately, to the parties who advanced the well costs for such well.

(17) Reasonable charges for supervision (combined fixed rates) are hereby fixed at the rates shown in Exhibit "A" per month, per well, while drilling and while producing, provided that these rates shall be adjusted annually pursuant to the COPAS form titled "Accounting Procedure-Joint Operations." The operator is authorized to withhold from production from each well the proportionate share of both the supervision charges and the actual expenditures required for operating of such well, not more than what are reasonable, attributable to pooled working interest owners.

(18) Except as provided in the foregoing paragraphs, all proceeds from production from the Well(s) that are not disbursed for any reason shall be held for the account of the person or persons entitled thereto pursuant to the Oil and Gas Proceeds Payment Act (NMSA 1978 Sections 70-10-1 through 70-10-6, as amended). If not sooner disbursed, such proceeds shall be turned over to the appropriate authority as and when required by the Uniform Unclaimed Property Act (NMSA 1978 Sections 7-8A-1 through 7-8A-31, as amended).

(19) Any unleased mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for allocating costs and charges under this order. Any costs that are to be paid out of production shall be withheld only from the working interests' share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

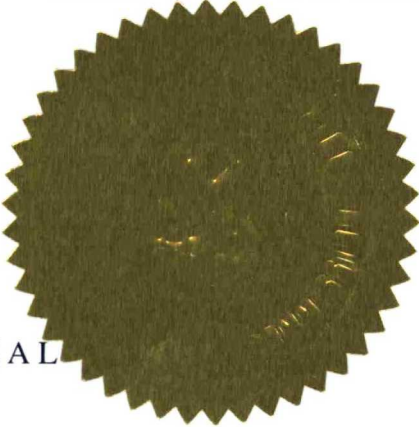
(20) Should all the parties to this compulsory pooling order reach voluntary agreement after entry of this order, this order shall thereafter be of no further effect.

(21) The operator of the wells and Unit shall notify the Division in writing of the subsequent voluntary agreement of any party subject to the compulsory pooling provisions of this order.

(22) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Case No. 20928
Order No. R-21052
Page 6 of 7

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

ADRIENNE SANDOVAL
Director

Case No. 20928
Order No. R-21052
Page 7 of 7

Exhibit "A"

Applicant: COG Operating LLC
Operator: COG Operating LLC (OGRID 229137)

Spacing Unit: Horizontal Gas
Building Blocks: Half section equivalents
Unit Size: 767.57-acres (more or less)
Orientation of Unit: North to South

Unit Description:

E/2 of Sections 20 and 29 and the N/2NE/4 and Lots 3 and 4 of irregular Section 32, Township 26 South, Range 28 East, NMPM, Eddy County, New Mexico.

Pooling this Vertical Extent: Wolfcamp formation
Depth Severance? (Yes/No): No

Pool: Purple Sage-Wolfcamp Gas Pool (Pool Code 98220)
Pool Spacing Unit Size: Half Sections
Governing WellSetbacks: Special Rules for the Purple Sage-Wolfcamp Gas Pool (Division Order No. R-14262)

Proximity Tracts: None Included
Proximity Defining Well: None

Monthly charges for supervision: While drilling: \$7000 While producing: \$700
As the charge for risk: 200 percent of reasonable well costs

There is one proposed well:

Honey Graham State Com 701H Well, (API No. 30-015- None yet assigned)

SHL: 320 feet from the North Line and 745 feet from the East Line (Unit A) of Section 20, Township 26 South, Range 28 East, NMPM.

BHL: 200 feet from the South Line and 550 feet from the East Line (Lot 4) of Section 32, Township 26 South, Range 28 East, NMPM.

Completion Target: Wolfcamp A Sand or Shale at approx. 9240 feet TVD
Well Orientation: North to South
Completion Location expected to be: standard

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

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
COG OPERATING LLC**

**CASE NO. 20903
ORDER NO. R-21107**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on November 14, 2019, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. COG Operating, LLC (“Operator”) submitted an application (“Application”) to compulsory pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the described depth(s) and location(s) in the Unit.
11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the Surface Location or Bottom Hole Location of a well is changed from the location described in Exhibit A, Operator shall submit an amended Exhibit A, which the Division shall append to this Order.
19. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location before commencing production of the well.
20. The Operator shall commence drilling the initial well within one (1) year after the date of this Order; and (b) for an infill well, no later than thirty (30) days after completion of the well.

CASE NO. 20903
ORDER NO. R-21107

21. Operator shall comply with the infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC.
22. This Order shall terminate automatically if Operator fails to comply with Paragraphs 20 or 21.
23. Operator shall submit to OCD and each owner of a working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs") no later than: (a) for an initial well, no later than thirty (30) days after the date of this Order; (b) for an infill well proposed by Operator, no later than (30) days after the later of the initial notice period pursuant to 19.15.13.10(B) NMAC or the extension granted by the OCD Director pursuant 19.15.13.10(D) NMAC; or (c) for an infill well proposed by an owner of a Pooled Working Interest, no later than thirty (30) days after expiration of the last action required by 19.15.13.11 NMAC.
24. No later than thirty (30) days after Operator submits the Estimated Well Costs , the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
25. No later than within one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
26. No later than sixty (60) days after the later of the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.

CASE NO. 20903
ORDER NO. R-21107

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27. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
28. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
29. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
30. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to OCD and each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*

CASE NO. 20903
ORDER NO. R-21107

Page 4

- 34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL
DIRECTOR**

AS/tgw

Date: February 13, 2020



CASE NO. 20903
ORDER NO. R-21107

Exhibit "A"
(Case 20903)

Applicant: COG Operating LLC
Operator: COG Operating LLC (OGRID 229137)

Spacing Unit: Horizontal Gas
Building Blocks: Half Section Equivalents
Unit Size: 767.51 acres (more or less)
Orientation of Unit: North to South

Unit Description:

W/2 of Sections 20 and 29 and the N/2NW/4 and Lots 1 and 2 of irregular Section 32, Township 26 South, Range 28 East, NMPM. Eddy County, New Mexico.

Pooling this Vertical Extent: Wolfcamp formation
Depth Severance? (Yes/No): No

Pool: Purple Sage-Wolfcamp Gas Pool (Pool Code 98220)
Pool Spacing Unit Size: Half Sections
Governing Well Setbacks: Special Rules for the Purple Sage-Wolfcamp Gas Pool (Division Order No. R-14262)

Proximity Tracts: None Included
Proximity Defining Well: None

Monthly charges for supervision: While drilling: \$7000 - While producing: \$700
As the charge for risk: 200 percent of reasonable well costs

Proposed Wells:

Honey Graham State Com 702H Well, (API No. 30-015- 46385)

SHL: 320 feet from the North Line and 1185 feet from the West Line (Unit D) of Section 20, Township 26 South, Range 28 East, NMPM.

BHL: 200 feet from the South Line and 1670 feet from the West Line (Lot 2) of Section 32, Township 26 South, Range 28 East, NMPM.

Completion Target: Wolfcamp A Sand or Shale at approx. 9220 feet TVD

Well Orientation: North to South

Completion Location expected to be: standard

CASE NO. 20903
ORDER NO. R-21107

Honey Graham State Com 703H Well, (API No. 30-015-46386)

SHL: 320 feet from the North Line and 1155 feet from the West Line (Unit D) of Section 20, Township 26 South, Range 28 East, NMPM.

BHL: 200 feet from the South Line and 670 feet from the West Line (Lot 1) of Section 32, Township 26 South, Range 28 East, NMPM.

Completion Target: Wolfcamp A Sand or Shale at approx. 9200 feet TVD

Well Orientation: North to South

Completion Location expected to be: standard

CASE NO. 20903
ORDER NO. R-21107

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

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
COG OPERATING, LLC**

**CASE NO. 21308
ORDER NO. R-21107-A**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on June 11, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order:

FINDINGS OF FACT

1. COG Operating, LLC. (“Operator”) applied to conform Order R-21107 (“Existing Order”) issued in Case No. 20903 with the Division’s recently amended order template (“Amended Template”).
2. Operator is in good standing under state-wide rules and regulations with respect to the Existing Order.
3. Operator has reviewed and agrees to the terms and conditions in the ordering paragraphs of the Amended Template.
4. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

5. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
6. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
7. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
8. This Order affirms the Findings of Fact and Conclusions of Law in the Existing Order and replaces the ordering paragraphs 15-35 in the Existing Order as stated below.

ORDER

9. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
10. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
11. Operator is designated as operator of the Unit and the Well(s).
12. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
13. The Operator shall commence drilling the Well(s) within one year after the date of this Order and complete each Well no later than one (1) year after the commencement of drilling the Well.
14. This Order shall terminate automatically if Operator fails to comply with Paragraph 13 unless Operator obtains an extension by an amendment of this Order for good cause shown.
15. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
16. Operator shall submit to each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
17. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
18. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written

CASE NO. 21308
ORDER NO. R-21107-A

Page 2 of 4

- objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
19. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
 20. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
 21. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
 22. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
 23. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
 24. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 23 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
 25. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.

- 26. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 27. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
- 28. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 29. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



ADRIENNE SANDOVAL
DIRECTOR
 AES/jag

Date: 6/12/2020

CASE NO. 21308
 ORDER NO. R-21107-A

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, 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, NM 87505

Santa Fe, New Mexico
Exhibit No. C-2
Submitted by: COG Operating LLC
Hearing Date: June 27, 2024
Case no. 24576

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

LI AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

Table with 3 main rows: 1 API Number (30-015-46381), 2 Pool Code (98220), 3 Pool Name (PURPLE SAGE; WOLFCAMP); 4 Property Code (38475), 5 Property Name (HONEY GRAHAM STATE COM), 6 Well Number (701H); 7 GRID NO. (229137), 8 Operator Name (COG OPERATING, LLC), 9 Elevation (3064')

10 Surface Location

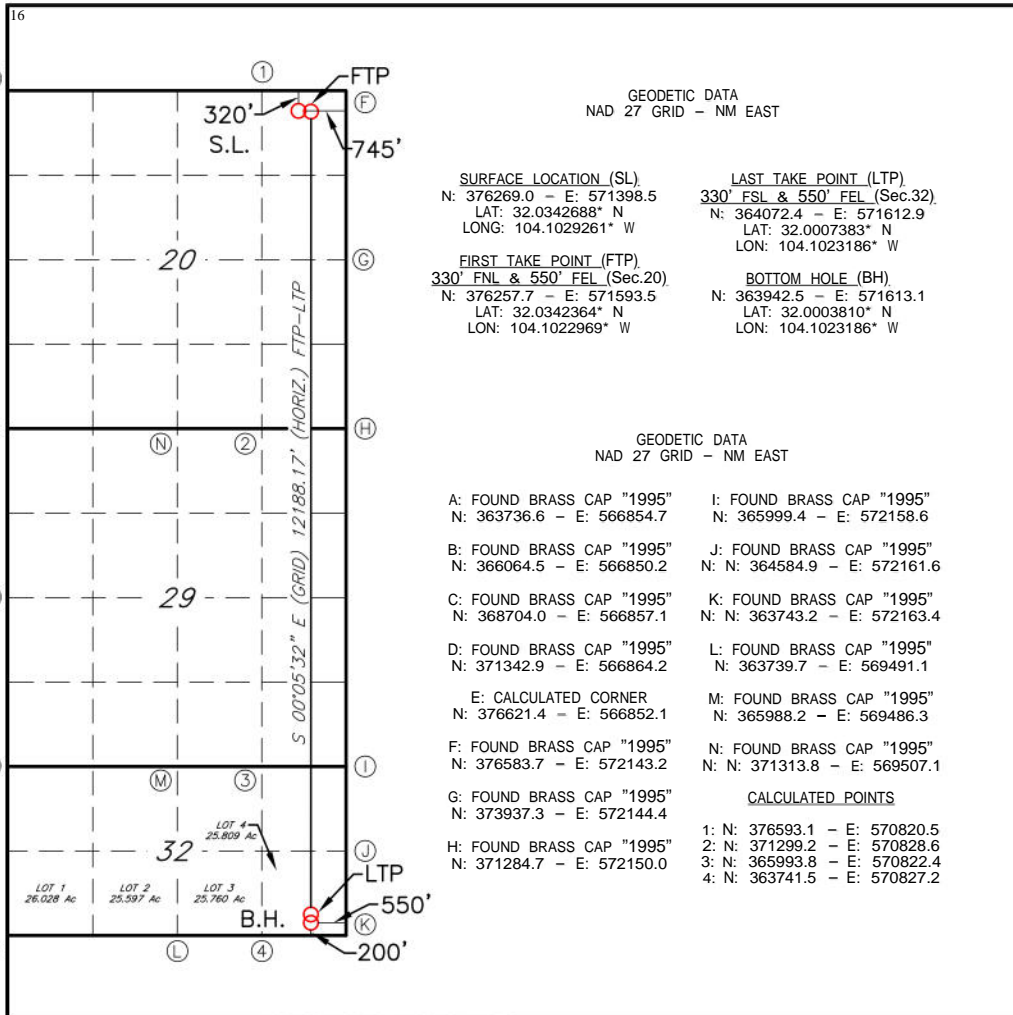
Table with 10 columns: UL or lot no. (A), Section (20), Township (26S), Range (28E), Lot Idn, Feet from the (320), North/South line (NORTH), Feet From the (745), East/West line (EAST), County (EDDY)

11 Bottom Hole Location If Different From Surface

Table with 10 columns: UL or lot no. (4), Section (32), Township (26S), Range (28E), Lot Idn, Feet from the (200), North/South line (SOUTH), Feet from the (550), East/West line (EAST), County (EDDY)

Table with 4 columns: 12 Dedicated Acres (1535.07), 13 Joint or Infill, 14 Consolidation Code, 15 Order No.

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.



17 OPERATOR CERTIFICATION

I hereby certify that the information contained 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

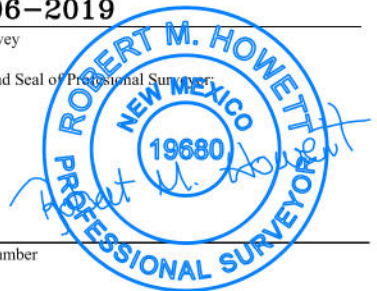
Signature, Date, Printed Name, E-mail Address

18 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

09-06-2019

Date of Survey, Signature and Seal of Professional Surveyor



19680

Certificate Number

Job No.: LS19090863

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
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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, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-46385		² Pool Code 98220		³ Pool Name PURPLE SAGE; WOLFCAMP	
⁴ Property Code 38476		⁵ Property Name HONEY GRAHAM STATE COM			⁶ Well Number 702H
⁷ OGRID NO. 229137		⁸ Operator Name COG OPERATING, LLC			⁹ Elevation 3083'

¹⁰ Surface Location

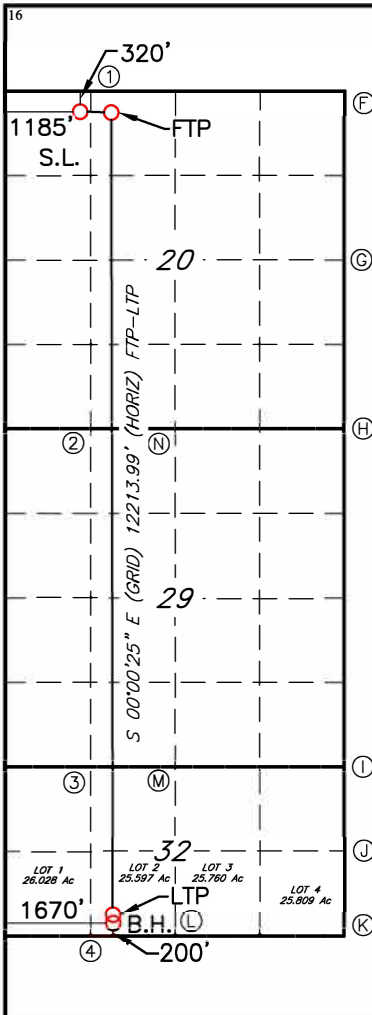
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
D	20	26S	28E		320	NORTH	1185	WEST	EDDY

¹¹ 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
2	32	26S	28E		200	SOUTH	1670	WEST	EDDY

¹² Dedicated Acres 1535.07	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
--	-------------------------------	----------------------------------	-------------------------

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.



GEODETIC DATA
NAD 27 GRID - NM EAST

SURFACE LOCATION (SL)
N: 376292.9 - E: 568037.6
LAT: 32.0343538° N
LONG: 104.1137717° W

LAST TAKE POINT (LTP)
330' FSL & 1670' FWL (Sec.32)
N: 364068.5 - E: 568523.7
LAT: 32.0007452° N
LONG: 104.1122839° W

FIRST TAKE POINT (FTP)
330' FSL & 1670' FWL (Sec.20)
N: 376279.5 - E: 568522.4
LAT: 32.0343142° N
LONG: 104.1122072° W

BOTTOM HOLE (BH)
N: 363938.5 - E: 568523.9
LAT: 32.0003879° N
LONG: 104.1122840° W

CORNER DATA
NAD 27 GRID - NM EAST

A: FOUND BRASS CAP "1995"
N: 363736.6 - E: 566854.7

B: FOUND BRASS CAP "1995"
N: 366064.5 - E: 566850.2

C: FOUND BRASS CAP "1995"
N: 368704.0 - E: 566857.1

D: FOUND BRASS CAP "1995"
N: 371342.9 - E: 566864.2

E: CALCULATED CORNER
N: 376621.4 - E: 566852.1

F: FOUND BRASS CAP "1995"
N: 376583.7 - E: 572143.2

G: FOUND BRASS CAP "1995"
N: 373937.3 - E: 572144.4

H: FOUND BRASS CAP "1995"
N: 371284.7 - E: 572150.0

I: FOUND BRASS CAP "1995"
N: 365999.4 - E: 572158.6

J: FOUND BRASS CAP "1995"
N: 364584.9 - E: 572161.6

K: FOUND BRASS CAP "1995"
N: 363743.2 - E: 572163.4

L: FOUND BRASS CAP "1995"
N: 363739.7 - E: 569491.1

M: FOUND BRASS CAP "1995"
N: 365988.2 - E: 569486.3

N: FOUND BRASS CAP "1995"
N: 371313.8 - E: 569507.1

CALCULATED POINTS

1: N: 376611.8 - E: 568174.9
2: N: 371328.3 - E: 568185.7
3: N: 366026.3 - E: 568168.3
4: N: 363738.2 - E: 568172.9

¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained 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 a 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 _____

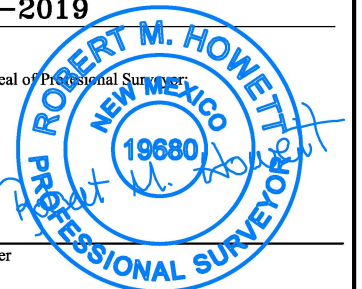
¹⁸ SURVEYOR CERTIFICATION

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.

09-06-2019

Date of Survey _____

Signature and Seal of Professional Surveyor _____



19680

Certificate Number

Job No.: LS19090862

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, 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, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-015-46386		2 Pool Code 98220		3 Pool Name PURPLE SAGE; WOLFCAMP	
4 Property Code 38476		5 Property Name HONEY GRAHAM STATE COM			6 Well Number 703H
7 OGRID NO. 229137		8 Operator Name COG OPERATING, LLC			9 Elevation 3084'

10 Surface Location

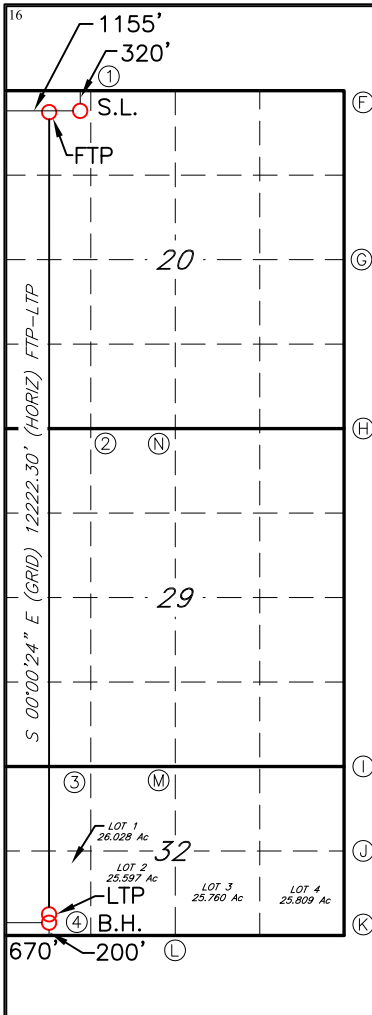
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
D	20	26S	28E		320	NORTH	1155	WEST	EDDY

11 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
1	32	26S	28E		200	SOUTH	670	WEST	EDDY

12 Dedicated Acres 1535.07	13 Joint or Infill	14 Consolidation Code	15 Order No.
--------------------------------------	--------------------	-----------------------	--------------

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.



GEODETIC DATA
NAD 27 GRID - NM EAST

SURFACE LOCATION (SL)
N: 376293.2 - E: 568007.6
LAT: 32.0343546° N
LONG: 104.1138685° W

LAST TAKE POINT (LTP)
330' FSL & 670' FWL (Sec.32)
N: 364067.3 - E: 567523.9
LAT: 32.0007475° N
LONG: 104.1155090° W

FIRST TAKE POINT (FTP)
330' FNL & 670' FWL (Sec.20)
N: 376286.7 - E: 567522.7
LAT: 32.0343394° N
LONG: 104.1154334° W

BOTTOM HOLE (BH)
N: 363937.3 - E: 567524.2
LAT: 32.0003902° N
LONG: 104.1155090° W

CORNER DATA
NAD 27 GRID - NM EAST

A: FOUND BRASS CAP "1995"
N: 363736.6 - E: 566854.7

B: FOUND BRASS CAP "1995"
N: 366064.5 - E: 566850.2

C: FOUND BRASS CAP "1995"
N: 368704.0 - E: 566857.1

D: FOUND BRASS CAP "1995"
N: 371342.9 - E: 566864.2

E: CALCULATED CORNER
N: 376621.4 - E: 566852.1

F: FOUND BRASS CAP "1995"
N: 376583.7 - E: 572143.2

G: FOUND BRASS CAP "1995"
N: 373937.3 - E: 572144.4

H: FOUND BRASS CAP "1995"
N: 371284.7 - E: 572150.0

I: FOUND BRASS CAP "1995"
N: 365999.4 - E: 572158.6

J: FOUND BRASS CAP "1995"
N: 364584.9 - E: 572161.6

K: FOUND BRASS CAP "1995"
N: 363743.2 - E: 572163.4

L: FOUND BRASS CAP "1995"
N: 363739.7 - E: 569491.1

M: FOUND BRASS CAP "1995"
N: 365988.2 - E: 569486.3

N: FOUND BRASS CAP "1995"
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2: N: 371328.3 - E: 568185.7
3: N: 366026.3 - E: 568168.3
4: N: 363738.2 - E: 568172.9

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Signature _____ Date _____

Printed Name _____

E-mail Address _____

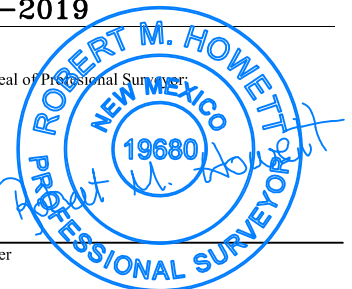
18 SURVEYOR CERTIFICATION

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.

09-06-2019

Date of Survey _____

Signature and Seal of Professional Surveyor _____



19680

Certificate Number

Job No.: LS19090861

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazon Road, Artec, NM 87410
District IV
1220 S. St Francis Dr., 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, NM 87505

Form C-102

Revised August 1, 2011

Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-	² Pool Code 98220	³ Pool Name PURPLE SAGE; WOLFCAMP
⁴ Property Code 38476	⁵ Property Name HONEY GRAHAM STATE COM	
⁷ OGRID No. 229137	⁸ Operator Name COG OPERATING LLC	⁶ Well Number 704H
		⁹ Elevation 3,086.40'

¹⁰ Surface Location

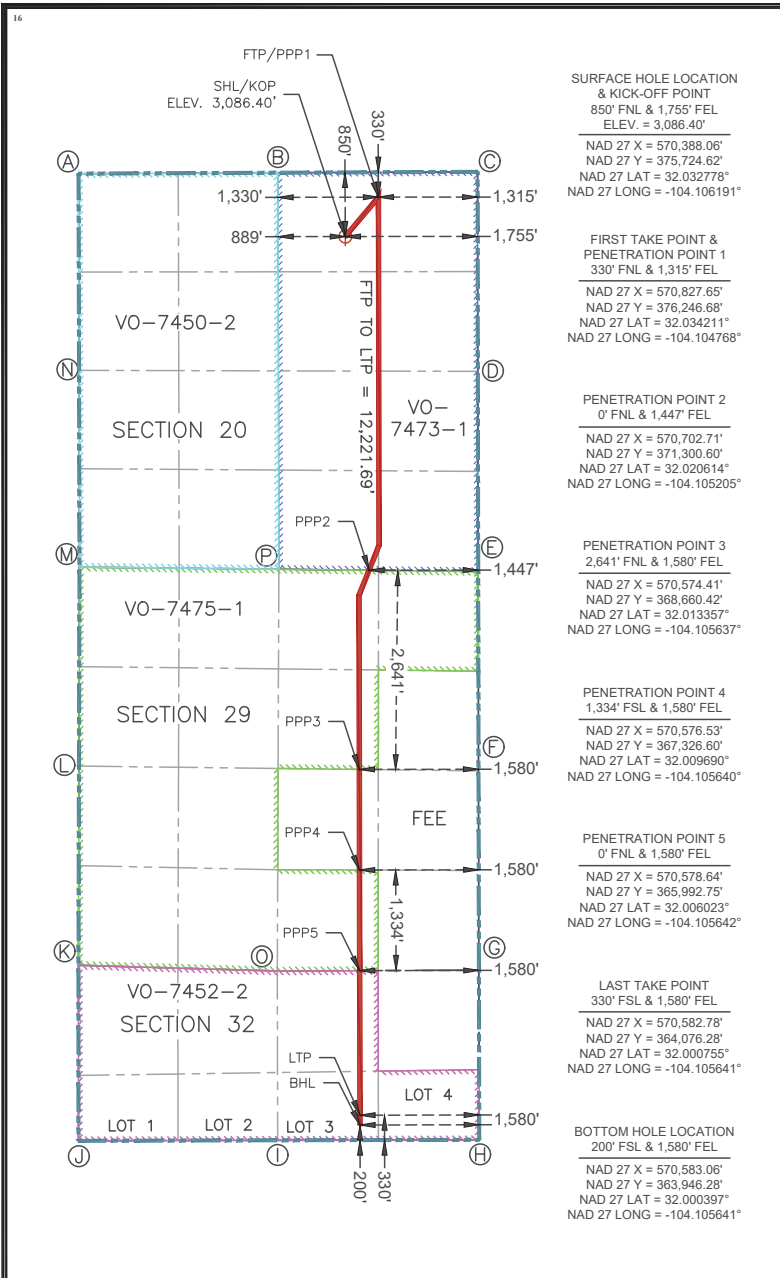
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	20	26 S	28 E		850'	NORTH	1,755'	EAST	EDDY

¹¹ 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
LOT 3	32	26 S	28 E		200'	SOUTH	1,580'	EAST	EDDY

¹² Dedicated Acres 1535.07	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
--	-------------------------------	----------------------------------	-------------------------

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.



¹⁷ OPERATOR CERTIFICATION

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Signature _____ Date _____

Printed Name _____

Email Address _____

¹⁸ 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.

CORNER COORDINATES NEW MEXICO EAST - NAD 27	
A - CALCULATED CORNER	N:76,557.95 E:566,851.76
B - CALCULATED CORNER	N:376,570.41 E:569,497.06
C - IRON PIPE W/ BRASS CAP	N:376,582.87 E:572,142.37
D - IRON PIPE W/ BRASS CAP	N:373,937.30 E:572,144.36
E - IRON PIPE W/ BRASS CAP	N:363,784.68 E:572,150.07
F - CALCULATED CORNER	N:368,642.00 E:572,153.98
G - IRON PIPE W/ BRASS CAP	N:365,959.42 E:572,158.58
H - CALCULATED CORNER	N:363,749.99 E:572,163.44
I - CALCULATED CORNER	N:363,743.73 E:569,491.02
J - CALCULATED CORNER	N:363,737.55 E:566,850.26
K - IRON PIPE W/ BRASS CAP	N:366,064.47 E:566,850.31
L - IRON PIPE W/ BRASS CAP	N:368,704.10 E:566,857.13
M - IRON PIPE W/ BRASS CAP	N:371,342.48 E:566,864.41
N - CALCULATED CORNER	N:373,950.22 E:566,858.09
O - IRON PIPE W/ BRASS CAP	N:365,988.13 E:569,486.33
P - IRON PIPE W/ BRASS CAP	N:371,313.75 E:569,507.03

Date: 5/7/2024



MARK J. MURRAY P.L.S. NO. 12177

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
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1000 Rio Brazon Road, Artec, NM 87410
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State of New Mexico
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OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102

Revised August 1, 2011

Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-		² Pool Code 98220		³ Pool Name PURPLE SAGE; WOLFCAMP	
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⁷ OGRID No. 229137		⁸ Operator Name COG OPERATING LLC			⁹ Elevation 3,086.76'

¹⁰ Surface Location

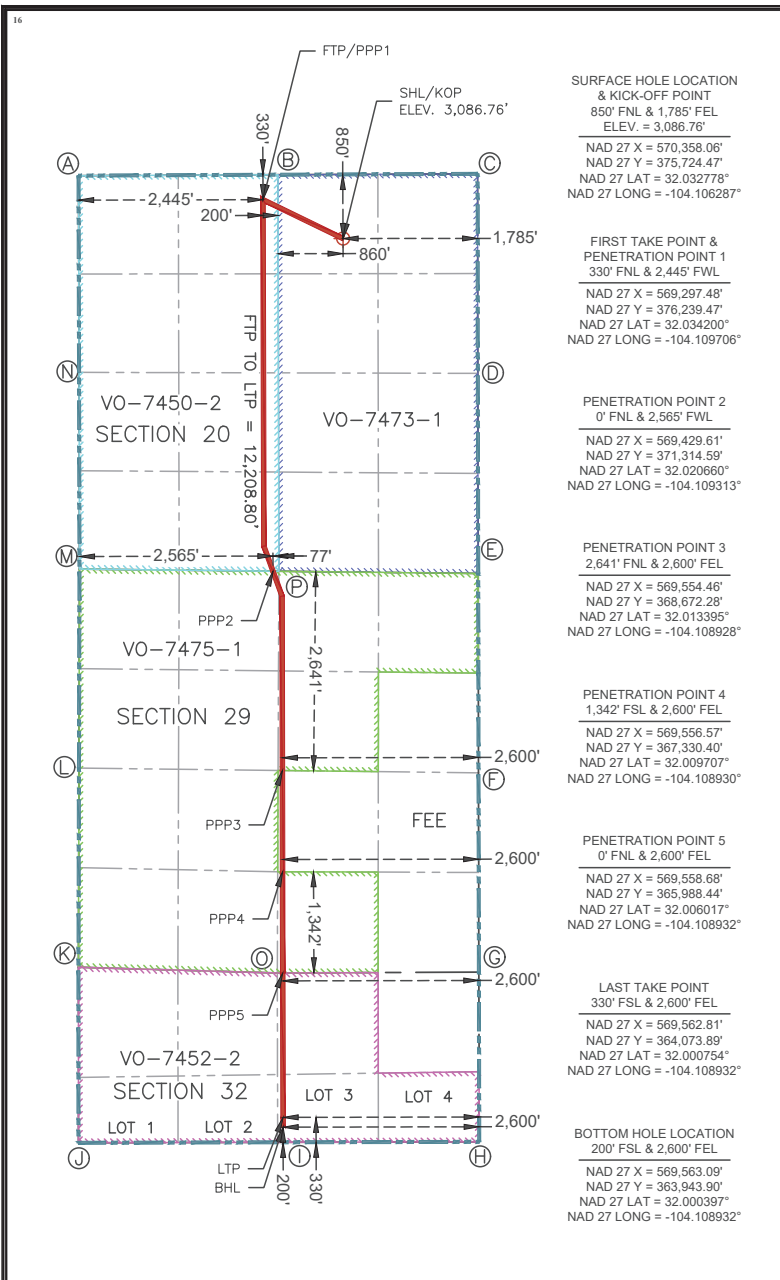
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	20	26 S	28 E		850'	NORTH	1,785'	EAST	EDDY

¹¹ 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
LOT 3	32	26 S	28 E		200'	SOUTH	2,600'	EAST	EDDY

¹² Dedicated Acres 1535.07	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
--	-------------------------------	----------------------------------	-------------------------

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H - CALCULATED CORNER	N:363,749.99 E:572,163.44
I - CALCULATED CORNER	N:363,743.73 E:569,491.02
J - CALCULATED CORNER	N:363,737.55 E:566,850.26
K - IRON PIPE W/ BRASS CAP	N:365,064.47 E:566,850.31
L - IRON PIPE W/ BRASS CAP	N:368,704.10 E:566,857.13
M - IRON PIPE W/ BRASS CAP	N:371,342.48 E:566,864.41
N - CALCULATED CORNER	N:373,950.22 E:566,858.09
O - IRON PIPE W/ BRASS CAP	N:365,988.13 E:569,486.33
P - IRON PIPE W/ BRASS CAP	N:371,313.75 E:569,507.03

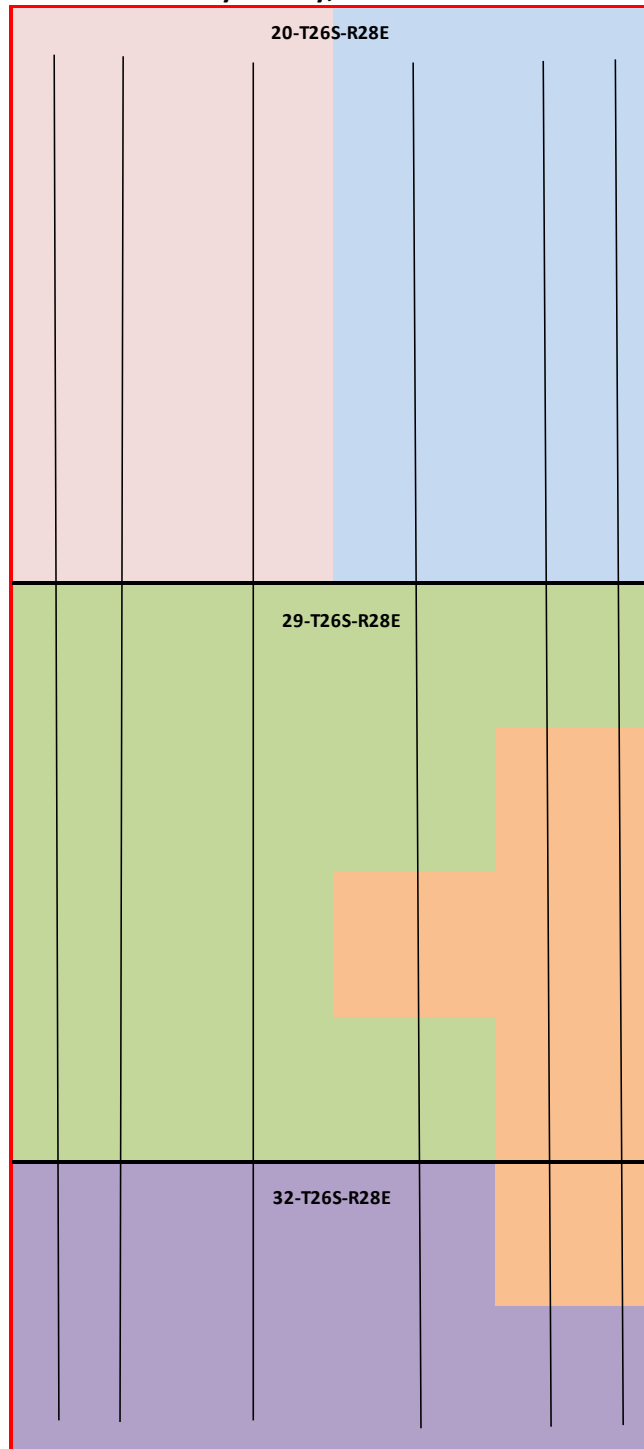
Date: 5/7/2024



MARK J. MURRAY P.L.S. NO. 12177

HONEY GRAHAM PAD PROJECT
Honey Graham State Com 701H-706H
All of Sections 20, 29, 32, T26S-R28E
Eddy County, New Mexico

Santa Fe, New Mexico
Exhibit No. C-3
Submitted by: COG Operating LLC
Hearing Date: June 27, 2024
Case no. 24576



	V0-7450-2	
	V0-7473-1	
	V0-7475-1	
	Fee	
	V0-7452-3	
	Comm Agreement Boundary	

WORKING INTEREST OWNERS	POOL - YES/NO; IF YES, WHICH LEASE(S)
COG OPERATING LLC	NO - PARTY IS COMMITTED
COG PRODUCTION LLC	NO - PARTY IS COMMITTED
CONCHO OIL & GAS LLC	NO - PARTY IS COMMITTED
COG ACREAGE LP	NO - PARTY IS COMMITTED
SHARBRO ENERGY LLC	NO - PARTY IS COMMITTED
THE ALLAR COMPANY	NO - PARTY IS COMMITTED
ORRI OWNERS	POOL - YES/NO; IF YES, WHICH LEASE(S)
NEARBURG PRODUCING CO	NO - PARTY IS COMMITTED
NEARBURG EXPLORATION COMPANY LLC	NO - PARTY IS COMMITTED
EG3 INC	NO - PARTY IS COMMITTED
NESTEGG ENERGY CORPORATION	NO - PARTY IS COMMITTED
CROWNROCK MINERALS LP	NO - PARTY IS COMMITTED
CORNERSTONE FAMILY TRUST	YES – FEE LEASES – SWNE; N2SE; SESE T26S-28E, SEC 29 NENE T26S-28E, SEC 32
ROLLA HINKLE III	NO - PARTY IS COMMITTED
DEBRA KAY PRIMERA	NO - PARTY IS COMMITTED
PENASCO PETROLEUM LLC	NO - PARTY IS COMMITTED
ROBERT MITCHELL RAINDL	NO - PARTY IS COMMITTED
RICKY D RAINDL	NO - PARTY IS COMMITTED
RFORT MINERAL PROPERTIES LLC	NO - PARTY IS COMMITTED
NPRI OWNERS	POOL - YES/NO; IF YES, WHICH LEASE(S)
WAYNE A BISSET	NO - PARTY IS COMMITTED
SUZANNE B KOCH	NO - PARTY IS COMMITTED
BUCKHORN MINERALS IV LP	NO - PARTY IS COMMITTED
JOHN M FOWLKES	NO - PARTY IS COMMITTED
CHRISTINE S FOWLKES	NO - PARTY IS COMMITTED
CHRISTOPHER C FOWLKES	NO - PARTY IS COMMITTED
GEORGE POAGE III	NO - PARTY IS COMMITTED
KEMP SMITH LLP	NO - PARTY IS COMMITTED
DAVID KERBY	NO - PARTY IS COMMITTED
GEORGE THOMPSON	NO - PARTY IS COMMITTED
CAMIE WADE	YES – FEE LEASES – SWNE; N2SE; SESE T26S-28E, SEC 29 NENE T26S-28E, SEC 32
RECORD TITLE OWNERS	POOL - YES/NO; IF YES, WHICH LEASE(S)
EOG RESOURCES, INC	NO - PARTY IS COMMITTED
SRO3 LLC	NO - PARTY IS COMMITTED
CHISHOLM ENERGY OPERATING, LLC	NO - PARTY IS COMMITTED
EARTHSTONE PERMIAN, LLC	NO - PARTY IS COMMITTED

KEY: Parties highlighted in light green are being pooled.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-4
Submitted by: COG Operating LLC
Hearing Date: June 27, 2024
Case no. 24576

	Owner	Address	City, St, Zip		Communitization Agreement Mailed	Tracking No.	Received	Notes
ORRI	Cornerstone Family Trust	PO Box 558	Peyton, CO 80831		3/7/2024	9414-8149-0246-9822-2213-85		Correction mailed 3/19 9414-8149-0246-9822-2228-56
NPRI	Camie Wade	10706 Orlando Avenue	Lubbock, TX 79423		3/7/2024	9414-8149-0246-9822-2215-52	RETURNED	Correction mailed 3/19 9414-8149-0246-9822-2230-20

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-5
Submitted by: COG Operating LLC
Hearing Date: June 27, 2024
Case no. 24576

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

**APPLICATION OF COG OPERATING LLC
TO AMEND ORDER NO. R-21107-A, DISMISS
ORDER NO. R-21052, AND FOR COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO.**

CASE NO. 24576

SELF-AFFIRMED STATEMENT OF JESSICA PONTIFF

1. My name is Jessica Pontiff and I am a Geologist with COG Operating LLC (“COG”), now a wholly-owned subsidiary of ConocoPhillips Company.

2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record.

3. I am familiar with the application filed by COG in this case and have conducted a geologic study of lands in the subject area.

4. **COG Exhibit D-1** is a general locator map depicting COG’s acreage in yellow for the proposed enlarged Wolfcamp spacing unit in relation to the town of Carlsbad, New Mexico with state and county lines. On the expanded map, COG’s acreage for the proposed enlarged Wolfcamp spacing unit is also depicted in yellow. Existing producing Wolfcamp formation wells in the Wolfcamp A interval, which is the interval targeted by COG’s existing and proposed wells, are represented by solid lines in the color indicated by the Map Legend. COG’s existing and proposed Honey Graham State Com wells within the proposed enlarged spacing unit are labeled with well name and number accordingly. The approximate wellbore path for COG’s proposed Honey Graham State Com 704H and 706H targeting the Wolfcamp A interval are depicted by dashed lines in the color indicated by the Map Legend.

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D
Submitted by: COG Operating LLC
Hearing Date: June 27, 2024
Case no. 24576**

5. **COG Exhibit D-2** is a subsea structure map that I prepared on top of the Wolfcamp formation, with contour intervals of 50 feet. The data points are indicated by red crosses. The approximate wellbore paths for the existing wells and proposed wells are again depicted with solid and dashed lines respectively as per the Map Legend. This map shows that the formation is gently dipping in an east to east northeast direction in this area. I do not observe any faulting, pinchouts, or other geologic impediments to developing the targeted interval with horizontal wells in this area.

6. **COG Exhibit D-3** overlays a green cross-section line consisting of 3 wells penetrating the Wolfcamp formation that I used to construct a stratigraphic cross-section from A to A'. I consider these well logs to be representative of the geology in the area and chose them because they are of good quality and penetrate the proposed target interval.

7. **COG Exhibit D-4** is a stratigraphic cross-section using the representative wells depicted by the green line of cross-section in COG Exhibit D-3. Each well in the cross-section contains gamma ray, resistivity, and porosity logs. The Wolfcamp A target interval is labeled on the exhibit. The cross-section demonstrates that the targeted interval is continuous across the proposed spacing unit.

8. My geologic study indicates the Wolfcamp formation underlying the subject area is suitable for development by horizontal wells and the acreage comprising the proposed enlarged horizontal spacing unit will be productive and contribute proportionately to the production from the wells.

9. In my opinion, the standup orientation of the proposed wells and existing wells is appropriate due to the geologic stress and consistent with existing development in this area.

10. In my opinion, approval of this application is in the best interest of conservation, the prevention of waste, and protection of correlative rights.

11. **COG Exhibits D-1 through D-4** were either prepared by me or compiled under my direction and supervision.

12. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.


Jessica Pontiff

6.20.2024
Date

Santa Fe, New Mexico

Exhibit No. D-1

Submitted by: COG Operating LLC

Hearing Date: June 27, 2024

Case no. 24576

Honey Graham State Com Wolfcamp Wells (WFMP): Location Map

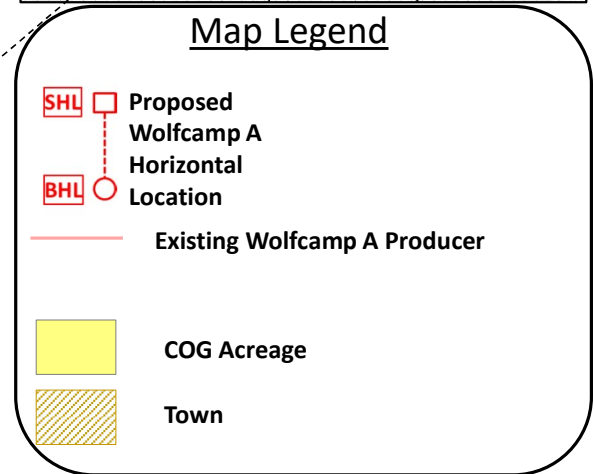
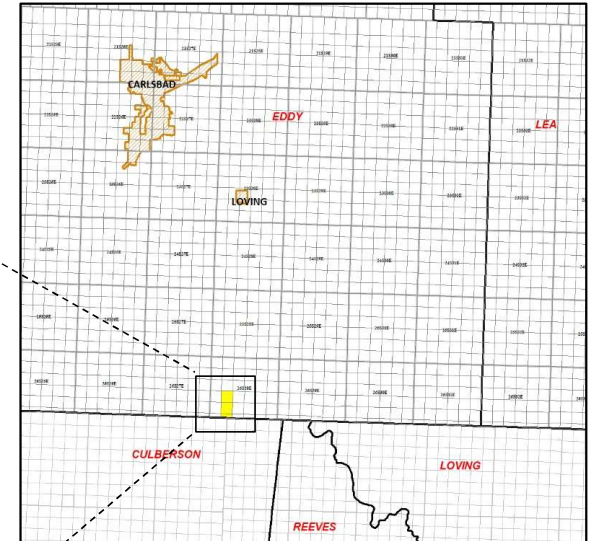
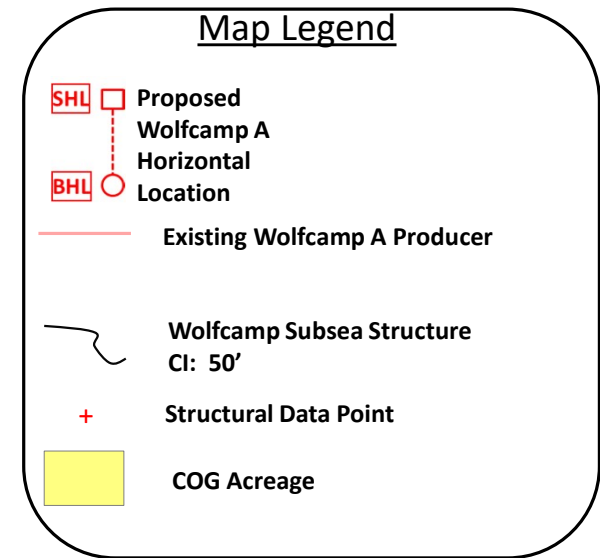
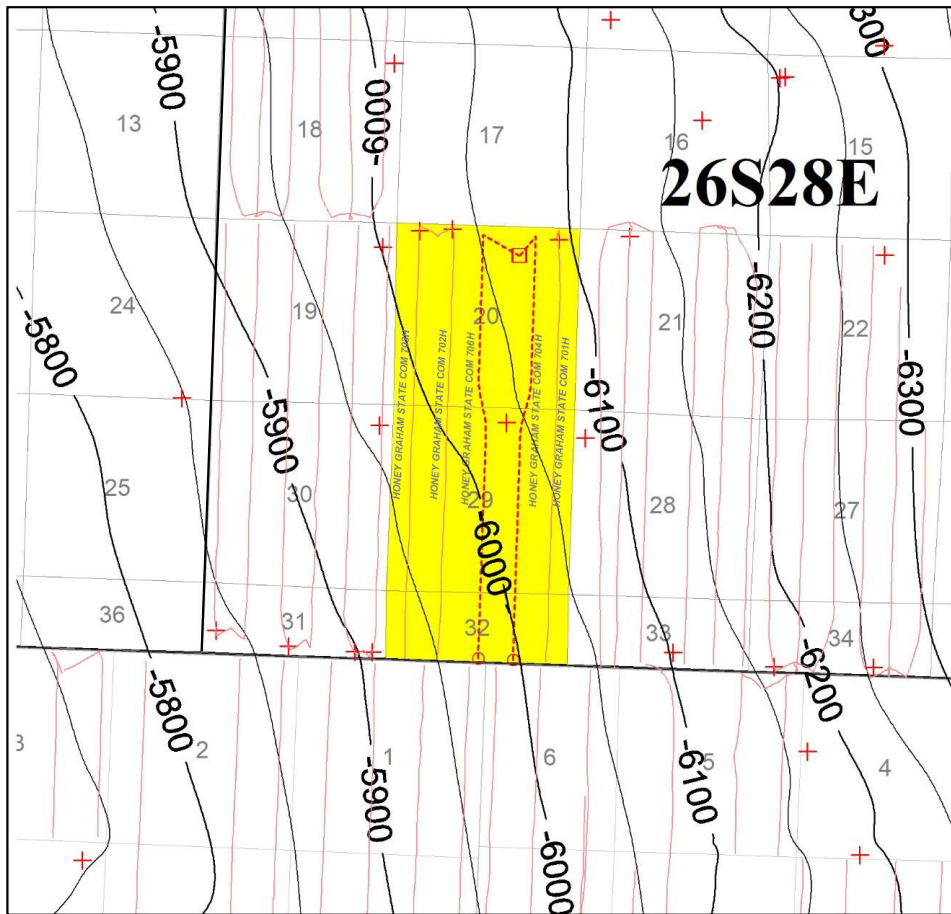


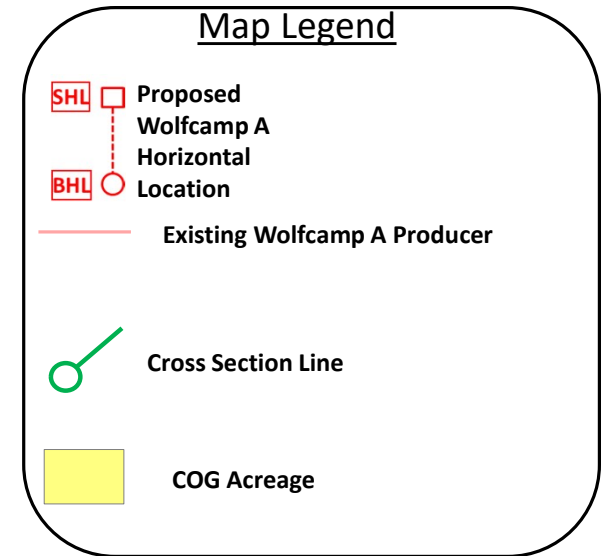
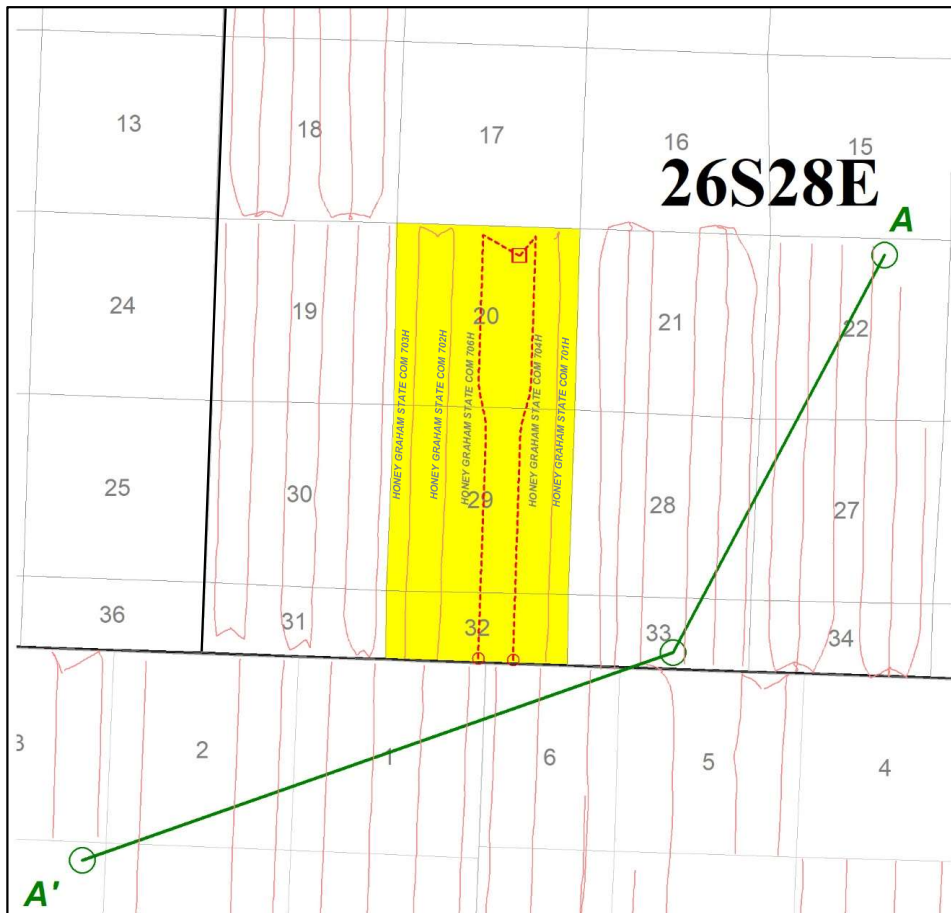
Exhibit D-1



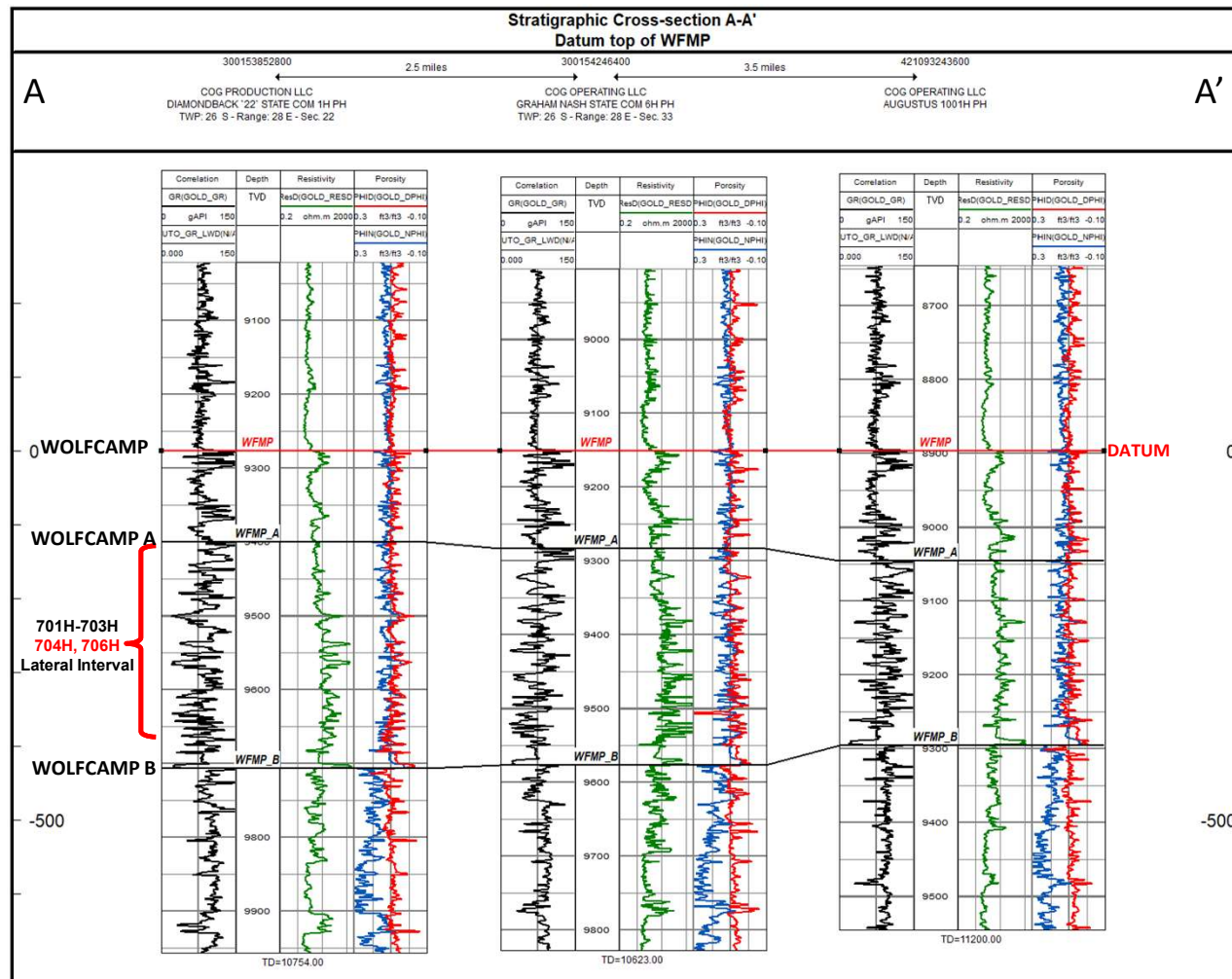
Honey Graham State Com Wolfcamp (WFMP): Top WFMP – Structure Map



Honey Graham State Com Wolfcamp (WFMP): Cross Section Map



Honey Graham State Com: Wolfcamp Stratigraphic Cross Section A – A'



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

**APPLICATION OF COG OPERATING LLC
TO AMEND ORDER NO. R-21107-A, DISMISS
ORDER NO. R-21052, AND FOR COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO.**

CASE NO. 24576

**SELF-AFFIRMED STATEMENT OF
PAULA M. VANCE**

1. I am attorney in fact and authorized representative of COG Operating LLC (“COG”), the Applicant herein. I have personal knowledge of the matter addressed herein and am competent to provide this self-affirmed statement.

2. The above-referenced application and notice of the hearing on this application was sent by certified mail to the locatable affected parties on the date set forth in the letter attached hereto. *See COG Exhibit E-1.*

3. The spreadsheet attached hereto contains the name of the parties to whom notice was provided. *See COG Exhibit E-2.*

4. **COG Exhibit E-2** contains the information provided by the United States Postal Service on the status of the delivery of this notice as of June 18, 2024.

5. I caused a notice to be published to the party subject to this amendment and compulsory pooling proceeding. The affidavit of publication from the publication’s legal clerk with a copy of the notices of publication is attached herein. *See COG Exhibit F.*

6. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. E
Submitted by: COG Operating LLC
Hearing Date: June 27, 2024
Case no. 24576**



Paula M. Vance

6/20/2024

Date



Paula M. Vance
Associate
Phone (505) 988-4421
pmvance@hollandhart.com

June 7, 2024

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of COG Operating LLC to amend Order No. R-21107-A, dismiss Order No. R-21052, and for Compulsory Pooling, Eddy County, New Mexico: Honey Graham State Com 701H, 702H, 703H, 704H and 706H wells

Ladies & Gentlemen:

This letter is to advise you that COG Operating LLC has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on June 27, 2024, and the status of the hearing can be monitored through the Division’s website at <https://www.emnrd.nm.gov/ocd/>.

It is anticipated that hearings will be held in a hybrid format with both in-person and virtual participation options. The meeting will be held in the Pecos Hall Hearing Room at the Wendall Chino Building, 1st Floor, 1220 South St. Francis Dr., Santa Fe, New Mexico. To participate virtually, see the instructions on OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>.

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required to file a Pre-hearing Statement four business days in advance of a scheduled hearing that complies with the provisions of NMAC 19.15.4.13.B.

If you have any questions about this matter, please contact Shelley C. Klingler at (432) 688-9027 or at Shelley.C.Klingler@conocophillips.com.

Sincerely,

Paula M. Vance
ATTORNEY FOR COG OPERATING LLC

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. E-1
Submitted by: COG Operating LLC
Hearing Date: June 27, 2024
Case no. 24576

T 505.988.4421 F 505.983.6043
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
www.hollandhart.com

Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming

COG - Amending Honey Graham Orders for 701H and 702H-703H wells - Case no. 24576
Postal Delivery Report

9414811898765469644769	Cornerstone Family Trust	PO Box 558	Peyton	CO	80831-0558	Your item has been delivered and is available at a PO Box at 8:24 am on June 10, 2024 in PEYTON, CO 80831.
9414811898765469644721	Camie Wade	10706 Orlando Ave	Lubbock	TX	79423-5772	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. E-2
Submitted by: COG Operating LLC
Hearing Date: June 27, 2024
Case no. 24576



PO Box 631667 Cincinnati, OH 45263-1667

AFFIDAVIT OF PUBLICATION


Joe Stark
Joe Stark EENR Specialist
Holland & Hart
222 South Main Street
Suite 2200
Salt Lake City UT 84101

STATE OF WISCONSIN, COUNTY OF BROWN

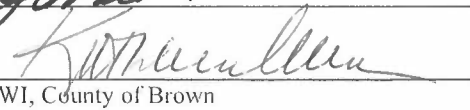
The Carlsbad Current Argus, a newspaper published in the city of Carlsbad, Eddy County, State of New Mexico, and personal knowledge of the facts herein state and that the notice hereto annexed was Published in said newspapers in the issue:

06/11/2024

and that the fees charged are legal.
Sworn to and subscribed before on 06/11/2024



Legal Clerk



Notary, State of WI, County of Brown

1-7-25

My commission expires

Publication Cost:	\$299.40	
Tax Amount:	\$22.14	
Payment Cost:	\$321.54	
Order No:	10263241	# of Copies:
Customer No:	1360634	1
PO #:	Case No. 24576	

THIS IS NOT AN INVOICE!

Please do not use this form for payment remittance.

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. F
Submitted by: COG Operating LLC
Hearing Date: June 27, 2024
Case no. 24576**

**KATHLEEN ALLEN
Notary Public
State of Wisconsin**

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

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the below listed cases. The hearings will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the MS Teams virtual meeting platform (sign-in information below) on **Thursday, June 27, 2024, at 8:30 a.m.**

To participate in the hearings, see the instructions posted below. The docket may be viewed electronically on the Division's website, <http://www.emnrd.state.nm.us/OCD/hearings.html> or obtained from the OCD law clerk, at (505) 469-5527 or freya.tschantz@emnrd.nm.gov.

Documents filed in these cases may be viewed at <http://ocdimage.emnrd.state.nm.us/imaging/CaseFileCriteria.aspx>.

If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact the OCD law clerk using the contact information above, or at the New Mexico Relay Network, 1-800-659-1779, no later than Monday, June 17, 2024.

Persons may view and participate in the hearings through the following link:
www.microsoft.com/en-us/microsoft-teams/join-a-meeting
Meeting ID: 297 546 029 690
Passcode: HEGYJT

Dial in by phone:
+1 505-312-4308,,367265738#
-or-
(505) 312-4308
Phone conference ID: 367 265 738#

**STATE OF NEW MEXICO TO:
All named parties and persons
having any right, title, interest
or claim in the following case
and notice to the public.**

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To: All affected interest owners, including: Cornerstone Family Trust; Camie Wade, his or her heirs and devisees.

Case No. 24576: Application of COG Operating LLC to amend Order No. R-21107-A, dismiss Order No. R-21052, and for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks to amend pooling Order No. R-21107-A to incorporate the acreage under Order No. R-21052, dismiss Order No. R-21052, and pool all uncommitted interests in the Wolfcamp formation underlying standard 1,535.08-acre, more or less, horizontal well spacing unit comprised of the Sections 20 and 29, and the N/2 N/2 and Lots 1-4 of irregular Section 32 (N/2 equivalent), Township 26 South, Range 28 East, NMPM, Eddy County, New Mexico. The new unit will be dedicated to the following existing and proposed wells:

- The existing **Honey Graham State Com 702H** (API No. 30-015-46385) drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 20, a first take point in the NE/4 NW/4 (Unit C) of Section 20 and a last take point in Lot 2 (SE/4 NW/4 equivalent), and existing **Honey Graham State Com 703H** (API No. 30-015-46386) drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 20, a first take point in the NW/4 NW/4 (Unit D) of Section 20 and a last take point in Lot 1 (SW/4 NW/4 equivalent);
- The existing **Honey Graham State Com 701H** (API No. 30-015-46381) drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 20, a first take point in the NE/4 NE/4 (Unit A) of Section 20 and a last take point in Lot 4 (SE/4 NE/4 equivalent);
- The proposed **Honey Graham State Com 704H** to be drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 20, a first take point in the NW/4 NE/4 (Unit B) of Section 20 and a last take point in Lot 3 (SW/4 NE/4 equivalent); and
- The proposed **Honey Graham State Com 706H** to be drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 20, a first take point in the NE/4 NW/4 (Unit C) of Section 20 and a last take point in Lot 3 (SW/4 NE/4 equivalent).

The completed interval of the **Honey Graham State Com 706H** well is expected to remain within 330 feet of the offsetting quarter section or equivalent tracts to include that acreage in a standard horizontal well spacing unit. Said area is located approximately 14 miles southwest of Malaga, New Mexico.
#10263241; Current Argus; June 11, 2024