

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

**APPLICATION OF COG OPERATING LLC  
FOR COMPULSORY POOLING AND  
APPROVAL OF NON-STANDARD,  
OVERLAPPING SPACING UNIT, EDDY  
COUNTY, NEW MEXICO**

**CASE NO. 24833**

**OPPOSED MOTION TO REOPEN**

XTO Energy, Inc. (“XTO”), respectfully requests the Oil Conservation Division (“Division”) reopen the above-referenced case matter pursuant to 19.15.4.12.D NMAC, due to applicant, COG Operating, LLC’s (“COG”) failure to provide notice as required by 19.15.4.9 NMAC. COG opposes this motion but agrees to the hearing date requested below. In support of its motion, XTO states the following:

1. In Case No. 24833, COG seeks an order to establish a 1,601.05-acre, more or less, non-standard, overlapping horizontal spacing unit comprised of irregular Sections 30 and 31, and the S/2 of Section 19, Township 25 South, Range 29 East, Eddy County, New Mexico (“Unit”); and to pool all uncommitted interests in the Bone Spring formation underlying the Unit from approximately 8,026’ TVD to the base of the Bone Spring formation.

2. By Notice Letter, dated September 12, 2024 and received by XTO on September 18, 2024, COG provided notice to XTO that a hearing for Case No. 24833 would be held on October 10, 2024. The Notice Letter is attached as Exhibit A.

3. On September 30, 2024, XTO filed an entry of appearance in the above-referenced matter. At that time, XTO and COG were negotiating a joint operating agreement (“JOA”).

4. Although the Notice Letter indicated a hearing date of October 10, 2024, COG actually presented the above-referenced case by affidavit during the regularly scheduled hearing docket on October 3, 2024, at which time the Division took the case under advisement.

5. Pursuant to 19.15.4.9(A) NMAC, notice must include the time and place of the hearing, and 19.15.4.12(A)(1)(b) NMAC requires that the Applicant provide notice in accordance with these requirements. COG failed to meet these notice obligations by specifying an incorrect hearing date of October 10, 2024, instead of the actual date of October 3, 2024. This deficiency is compounded by the fact that the hearing occurred before the date stated in the Notice Letter, further limiting XTO's ability to adequately evaluate the proposal.

6. Upon proper showing of evidence of failure to meet the notice requirements articulated in 19.15.4.9 NMAC, the Division may reopen the case. 19.15.4.12.D NMAC.

WHEREFORE, the Applicant respectfully requests that the Division consider the evidence provided herein as cause for reopening this matter, and reopen this matter to set a new hearing date on the regularly scheduled October 31, 2024, hearing docket for a status conference.

Respectfully submitted,

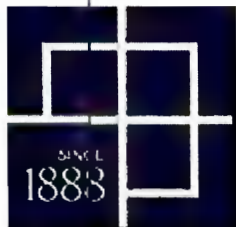
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By:



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*Attorneys for XTO Energy, Inc.*



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# HINKLE SHANOR LLP

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RECEIVED

SEP 18 2024

LAND DEPARTMENT

WRITER:

Jaclyn M. McLean, Partner  
jmclean@hinklelawfirm.com

September 12, 2024

**VIA CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

## TO ALL PARTIES ENTITLED TO NOTICE

**Re: Case No. 24833 – Application of COG Operating LLC for Compulsory Pooling and Approval of Non-Standard Spacing, Overlapping Spacing Unit, Eddy County, New Mexico.**

To whom it may concern:

This letter is to advise you that the enclosed application was filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **October 10, 2024**, beginning at 8:30 a.m.

The hearing 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 WebEx virtual meeting platform. To participate virtually, see the instructions posted on the 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.

Pursuant to Division Rule 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days in advance of a scheduled hearing, but in no event later than 5:00 p.m. Mountain Time, on the Thursday preceding the scheduled hearing date. The statement must be submitted through the OCD E-Permitting system (<https://wwwapps.emnrd.nm.gov/ocd/ocdpermitting/>) or via e-mail to [ocd.hearings@emnrd.nm.gov](mailto:ocd.hearings@emnrd.nm.gov) and should include: the names of the parties and their attorneys, a concise statement of the case, the names of all witnesses the party will call to testify at the hearing, the approximate time the party will need to present its case, and identification of any procedural matters that are to be resolved prior to the hearing.

Please contact Gianna Romero, CPL, Senior Land Negotiator for COG Operating LLC, by phone at (432) 221-0421 if you have any questions regarding this matter.

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Case No. 24833  
XTO Energy, Inc. - Exhibit A

September 12, 2024  
Page 2

Sincerely,

/s/ Jaclyn M. McLean  
Jaclyn M. McLean

Enclosure

HINKLE SHANOR LLP

Case No. 24833  
XTO Energy, Inc. - Exhibit A

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

APPLICATION OF COG OPERATING LLC  
FOR COMPULSORY POOLING AND APPROVAL  
OF NON-STANDARD, OVERLAPPING SPACING UNIT,  
EDDY COUNTY, NEW MEXICO,

CASE NO. 24833

APPLICATION

In accordance with NMSA 1978, § 70-2-17 and NMAC 19.15.16.15(B)(5), COG Operating LLC (“COG” or “Applicant”), through its undersigned attorneys, files this application with the Oil Conservation Division (“Division”) seeking an order: (1) establishing a 1,601.05-acre, more or less, non-standard, overlapping horizontal spacing unit comprised of irregular Sections 30 and 31, and the S/2 of Section 19, Township 25 South, Range 29 East, Eddy County, New Mexico (“Unit”); and (2) pooling all uncommitted interests in the Bone Spring formation underlying the Unit from approximately 8,026’ TVD to the base of the Bone Spring formation. In support of this application, COG states the following.

1. Applicant (OGRID No. 229137) is a working interest owner in the Unit and has the right to drill thereon.
2. Applicant seeks to dedicate the Unit to the following proposed wells (“Wells”):
  - a. **Wild Thing Fed Com 501H and Wild Thing Fed Com 502H** wells, which will be drilled from surface hole locations in the SW/4 SE/4 (Unit O) of Section 31 to bottom hole locations in the NW/4 SE/4 (Unit J) of Section 19;
  - b. **Wild Thing Fed Com 503H** well, which will be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 31 to a bottom hole location in the NE/4 SE/4 (Unit K) of Section 19; and

c. **Wild Thing Fed Com 504H** well, which will be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 31 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 19.

3. The completed intervals of the Wells will be orthodox.

4. There is a depth severance in the Bone Spring formation within the Unit.

Accordingly, COG seeks to pool interests from approximately 8,026' TVD to the base of the Bone Spring formation.

5. The Unit will partially overlap with the spacing units for the Showstopper 19 Federal #003H (API No. 30-015-37682), Showstopper 19 Federal Com #004H (API No. 30-015-37374) and Showstopper 19 Federal Com #005H (API No. 30-015-37373) wells ("Showstopper Wells"). The Showstopper Wells are located in Section 19, Township 25 South, Range 29 East, Eddy County, New Mexico, and produce from the Willow Lake; Bone Spring, Southeast Pool (Code 96217).

6. The Unit will also partially overlap with the spacing unit for the Thriller BWL Federal #001H well (API No. 30-015-43909) ("Thriller Well"). The Thriller Well is located in the E/2 E/2 of Section 30, Township 25 South, Range 29 East, Eddy County, and produces from the Rock Spur; Bone Spring Pool (Code 52775).

7. Finally, the Unit will partially overlap with the spacing unit for the Cooper 31 Federal #003H (API No. 30-015-37749) ("Cooper Well"). The Cooper Well is located in the S/2 N/2 of Section 31, Township 25 South, Range 29 East, and produces from the Brushy Draw; Delaware (Code 8080) Pool.

8. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all of the interest owners in the Unit.

9. The pooling of interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

10. Approval of a non-standard horizontal spacing unit is necessary to prevent waste and protect correlative rights.

11. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the Unit should be pooled and Applicant should be designated the operator of the proposed horizontal wells and the Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on October 3, 2024, and, after notice and hearing as required by law, the Division enter an order:

- A. Approving a non-standard horizontal spacing unit pursuant to 19.15.16.15(B)(5) NMAC;
- B. Approving the proposed overlapping spacing unit;
- C. Pooling all uncommitted interests in the Unit;
- D. Approving the initial wells in the Unit;
- E. Designating Applicant as the operator of the Unit and the horizontal wells to be drilled thereon;
- F. Authorizing Applicant to recover its costs of drilling, equipping, and completing the wells;
- G. Approving the actual operating charges and costs of supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

H. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy

Jaclyn M. McLean

Dylan M. Villescascas

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*Counsel for COG Operating LLC*



## CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the forgoing was served to counsel of record by electronic mail this 10th day October 2024, as follows:

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*Attorneys for COG Operating LLC*

  
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Rachael Ketchledge