

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

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

CASE NO. _____

APPLICATION

COG Operating LLC (“COG” or “Applicant”) (OGRID No. 229137), through its undersigned attorneys, files this application with the Oil Conservation Division, pursuant to the provisions of NMSA 1978, Section 70-2-17, for an order pooling all uncommitted interests in the Bone Spring Formation underlying a standard 480.72-acre, more or less, horizontal well spacing unit comprised of Lots 1-4 of Section 19, Lots 1-4 of Section 30, and Lots 1-4 of Section 31 (the W/2W/2), Township 25 South, Range 35 East, NMPM, Lea County, New Mexico. In support of this application, COG states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the Fairview Mills; Bone Spring (Code 96340) Pool.
3. COG seeks to dedicate to the horizontal spacing unit the **Pitchblende 19-30 Federal Com 602H** to be horizontally drilled from a surface location in the NW4NW4 (Unit D) of Section 19, with first take point in the NW4NW4 (Unit D) of Section 19 and last take point in the SW4SW4 (Unit M) of Section 31.
4. Applicant and its affiliates are the sole working interest owners and record title owner in this proposed unit but seeks a pooling order to commit certain non-cost-bearing owners, including overriding royalty owners, which have yet to ratify the

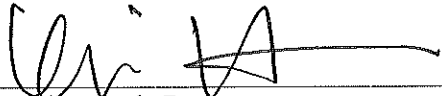
necessary federal communitization agreement which would voluntarily pool their interests.

5. The pooling of interests in the proposed unit will allow Applicant to obtain a just and fair share of the oil and gas underlying the subject lands, avoiding the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on February 13, and, after notice and hearing as required by law, the Division enter an order:

- A. Approve the standard horizontal well spacing unit and pooling the interests of certain uncommitted non-cost bearing owners therein; and
- B. Designating Applicant as the operator of this spacing unit and the horizontal well to be drilled thereon.

Respectfully submitted,

By: 
Elizabeth Ryan
Keri Hatley
ConocoPhillips
1048 Paseo de Peralta
Santa Fe, New Mexico 87501
(505) 780-8000
beth.ryan@conocophillips.com
keri.hatley@conocophillips.com

Attorneys for COG Operating LLC

CASE _____:

Application of COG Operating LLC for Compulsory Pooling, Lea County, New Mexico. Applicant in the above style cause seeks an order pooling a standard 480.72-acre, more or less, horizontal well spacing unit in the Bone Spring Formation underlying the W/2W/2 Sections 19, 30 and 31, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico. Applicant seeks to initially dedicate the above-referenced spacing unit the proposed **Pitchblende 19-30 Federal Com No. 602H** well to be horizontally drilled from a surface location in the NW/4NW/4 (Unit D) Sec. 19, with first take point also in the NW4NW4 (Unit D) of Sec. 19 and last take point in the SW4SW4 (Unit M) of Section 31. Also to be considered is the designation of COG Operating LLC as the operator of the proposed spacing unit. The subject area is located approximately 14 miles west of Jal, New Mexico.