

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

**APPLICATION OF COTERRA ENERGY  
OPERATING CO. FOR COMPULSORY POOLING  
LEA COUNTY, NEW MEXICO**

**CASE NO. \_\_\_\_\_**

**APPLICATION**

Pursuant to NMSA § 70-2-17, Coterra Energy Operating Co. (“Applicant”) (OGRID No. 215099), through its undersigned attorney, hereby files this Application with the Oil Conservation Division of the State of New Mexico (“Division”) for an order (1) creating a 640-acre, more or less, standard horizontal well spacing unit comprised of the W/2 E/2 of Sections 13, 24, 25, and 36, all located in Township 19 South, Range 35 East, NMPM, Lea County, New Mexico (“Unit”), and (2) pooling all uncommitted interest within the Bone Spring formation underlying said Unit. In support of its Application, Applicant states the following:

1. Applicant is a working interest owner in the Unit and has the right to drill thereon.
2. Applicant seeks to dedicate the above-referenced Unit to the following well, referred to herein as the Well:
  - a. **Sun State Com 223H** well (API No. Pending), which will be horizontally drilled from a surface hole location 320’ FNL and 1,388’ FEL of Section 13, Township 19 South, Range 35 East, to a bottom hole location 100’ FSL and 1,684’ FEL of Section 36, Township 19 South, Range 35 East.
3. Applicant provides notice that the proposed Unit partially overlaps 2 existing vertical spacing units dedicated as follows:
  - a. Bryan #001 well (API No. 30-025-28598), a Pearl; Bone Spring [49680] and WC-025 G-07 S193513B; Bone Spring [97926] well producing from the NW/4 NE/4 of Section 13, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico (40 acres). This overlap affects approximately 40 acres in Section 13.
  - b. Haumea State #002H well (API No. 30-025-40833), a Pearl; Bone Spring, South [49685] well producing from the NW/4 NE/4 of Section 36, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico (40 acres). This overlap affects approximately 40 acres in Section 36.

4. The Well will be horizontally drilled, and the producing area for the Well is expected to be orthodox.
5. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Well but has been unable to obtain voluntary agreements from all interest owners.
6. The approval of this Unit and pooling of uncommitted interests within the Unit will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.
7. In order to allow 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 Well and Unit.

WHEREFORE, Applicant requests this Application be set for hearing on June 4, 2026, and that after notice and hearing, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Well in the Unit;
- C. Designating Applicant as operator of the Unit and the Well;
- D. Authorizing Applicant to recover its costs of drilling, equipping and completing the Well;
- E. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% penalty for the risk assumed by Applicant in drilling and completing the Well against any working interest owner who does not voluntarily participate in the drilling of the Well.

Respectfully submitted,

HOLLIDAY ENERGY LAW GROUP, PC

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