

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

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

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

**APPLICATION**

Pursuant to NMSA 1978, Section 70-2-17, COG Operating LLC (OGRID No. 229137) (“COG” or “Applicant”) applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 1,600-acre, more or less, non-standard, horizontal spacing unit comprised of the S/2 of Section 4 and all of Sections 9 and 16, Township 21 South, Range 33 East, Lea County, New Mexico (“Unit”). In support of this application, COG states the following.

1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.
2. Applicant seeks to dedicate the Unit to the following wells (“Wells”):
  - a. **Corazon State Unit Com 201H, Corazon State Unit Com 301H, Corazon State Unit Com 501H, and Corazon State Unit Com 601H**, which will be drilled from surface hole locations in Lot 15 of Section 4 to bottom hole locations in the SE/4 SE/4 (Unit P) of Section 16;
  - b. **Corazon State Unit Com 302H and Corazon State Unit Com 502H**, which will be drilled from surface hole locations in Lot 15 of Section 4 to bottom hole locations in the SW/4 SE/4 (Unit O) of Section 16;
  - c. **Corazon State Unit Com 503H, Corazon State Unit Com 202H, and Corazon State Unit Com 602H**, which will be drilled from surface hole locations in Lot 15 of Section 4 to bottom hole locations in the SE/4 SW/4 (Unit N) of Section 16;

- d. **Corazon State Unit Com 303H and Corazon State Unit Com 504H**, which will be drilled from surface hole locations in Lot 13 of Section 4 to bottom hole locations in the SE/4 SW/4 (Unit N) of Section 16; and
  - e. **Corazon State Unit Com 203H, Corazon State Unit Com 304H, Corazon State Unit Com 505H, and Corazon State Unit Com 603H**, which will be drilled from surface hole locations in Lot 13 of Section 4 to bottom hole locations in the SW/4 SW/4 (Unit M) of Section 16.
3. The completed intervals of the Wells will be orthodox.
  4. Applicant requests approval of a non-standard horizontal spacing unit pursuant to Rule 19.15.16.15(B)(5) NMAC, which will create cost efficiencies, prevent waste, and protect correlative rights.
  5. Applicant intends to develop the Unit according to the following development plan:

<b>Well</b>	<b>Timeline of Spud (Estimated)</b>
Corazon State Unit Com 501H	Phase 1: Within 1 year of issuance of Order
Corazon State Unit Com 502H	Phase 1: Within 1 year of issuance of Order
Corazon State Unit Com 503H	Phase 1: Within 1 year of issuance of Order
Corazon State Unit Com 504H	Phase 1: Within 1 year of issuance of Order
Corazon State Unit Com 505H	Phase 1: Within 1 year of issuance of Order
Corazon State Unit Com 601H	Phase 1: Within 1 year of issuance of Order
Corazon State Unit Com 602H	Phase 1: Within 1 year of issuance of Order
Corazon State Unit Com 603H	Phase 1: Within 1 year of issuance of Order
Corazon State Unit Com 201H	Phase 2: Within 3 years of issuance of Order
Corazon State Unit Com 202H	Phase 2: Within 3 years of issuance of Order

Corazon State Unit Com 203H	Phase 2: Within 3 years of issuance of Order
Corazon State Unit Com 301H	Phase 2: Within 3 years of issuance of Order
Corazon State Unit Com 302H	Phase 2: Within 3 years of issuance of Order
Corazon State Unit Com 303H	Phase 2: Within 3 years of issuance of Order
Corazon State Unit Com 304H	Phase 2: Within 3 years of issuance of Order

6. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Wells but has been unable to obtain voluntary agreements from all interest owners.

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

8. 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 Wells and Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on August 6, 2026, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the development plan for the Wells in the Unit;
- C. Approving the non-standard spacing Unit;
- D. Designating Applicant as operator of the Unit and the Wells to be drilled thereon;
- E. Authorizing Applicant to recover its costs of drilling, equipping and completing the Wells;
- F. 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

- G. Imposing a 200% penalty for the risk assumed by Applicant in drilling and completing the Wells against any working interest owner who does not voluntarily participate in the drilling of the Wells.

Respectfully submitted,

HARDY MCLEAN LLC

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