

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

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

CASE NO. _____

APPLICATION

COG Operating LLC (“COG” or “Applicant”) (OGRID No. 229137), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order (a) approving a non-standard 639.23-acre, more or less, overlapping horizontal well spacing unit in a portion of the Bone Spring formation comprised of Lots 1-2, S/2 NE/4 and SE/4 (E/2 equivalent) of irregular Section 2 and E/2 of Section 11, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico, and (b) pooling the uncommitted interests therein. In support of this application, COG states:

1. Applicant is a working interest owner in the proposed overlapping horizontal spacing unit and has the right to drill thereon.

2. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the following proposed wells:

- **Redtail Federal Com 303H and Redtail Federal Com 504H** wells, both to be horizontally drilled from surface locations in the NE/4 of irregular Section 2, with first take points in Lot 1 (NE/4 NE/4 equivalent) of irregular Section 2 and last take points in the SE/4 SE/4 (Unit P) of Section 11; and

- **Redtail Federal Com 302H** well, to be horizontally drilled from a surface location in the NE/4 of irregular Section 2, with a first take point in Lot 2 (NW/4 NE/4 equivalent) of irregular Section 2 and a last take point in the SW/4 SE/4 (Unit O) of Section 11.

3. This horizontal well spacing unit will overlap the following existing Bone Spring spacing units:

- 160-acre horizontal well spacing unit comprised of the Lot 1, SE/4 NE/4 and the E/2 SE/4 (E/2 E/2 equivalent) of Section 2, dedicated to COG Operating LLC's Redtail State 1H (API: 30-025-40181); and
- 640-acre horizontal well spacing unit comprised of the W2 E2 of Sections 2, 11, and 14 dedicated COG Operating LLC Redtail Federal Com #602H (API: 30-025-53389).

4. An ownership depth severance exists in the Bone Spring formation, within the proposed horizontal well spacing unit. Accordingly, Applicant seeks to pool only the Avalon, First Bone Spring, and Second Bone Spring intervals of the Bone Spring Formation defined as the stratigraphic equivalent of between 8,748 feet and 11,101 feet total vertical depth, as seen in the Triste Draw Federal #2 (API 30-025-27708). COG will provide notice of this hearing to the vertical offset parties within the pool who are not subject to this pooling application.

5. Applicants seeks to create a non-standard spacing unit to accommodate existing development in the Bone Spring formation and to provide for efficient well spacing.

6. Applicant 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

overriding royalty interest owners and record title owners, who have yet to execute the necessary federal and state communitization agreements.


7. The pooling of the uncommitted interest owners will allow Applicant to obtain a just and fair share of the oil and gas underlying the subject lands, avoid 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 August 6, 2026, and, after notice and hearing as required by law, the Division enter an order:

- A. Approving the non-standard overlapping horizontal well spacing unit and pooling certain overriding royalty interest owners and record title owners in the proposed spacing unit; and
- B. Designating Applicant as the operator of this spacing unit and the horizontal wells to be drilled thereon.

Respectfully submitted,

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ATTORNEYS FOR COG OPERATING LLC

CASE _____:

Application of COG Operating LLC for Approval of a Non-Standard Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (a) approving a non-standard 639.23-acre, more or less, horizontal well spacing unit in a portion of the Bone Spring formation comprised of Lots 1-2, S/2 NE/4 and SE/4 (E/2 equivalent) of irregular Section 2 and E/2 of Section 11, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico, and (b) pooling the uncommitted interests therein. Since an ownership depth severance exists in the Bone Spring formation underlying proposed horizontal well spacing unit, application seeks to pool only to pool only the Avalon, First Bone Spring, and Second Bone Spring intervals of the Bone Spring Formation defined as the stratigraphic equivalent of between 8,748 feet and 11,101 feet total vertical depth, as seen in the Triste Draw Federal #2 (API 30-025-27708). Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the following proposed wells:

- Redtail Federal Com 303H and Redtail Federal Com 504H wells, both to be horizontally drilled from surface locations in the NE/4 of irregular Section 2, with first take points in Lot 1 (NE/4 NE/4 equivalent) of irregular Section 2 and last take points in the SE/4 SE/4 (Unit P) of Section 11; and
- Redtail Federal Com 302H well, to be horizontally drilled from a surface location in the NE/4 of irregular Section 2, with a first take point in Lot 2 (NW/4 NE/4 equivalent) of irregular Section 2 and a last take point in the SW/4 SE/4 (Unit O) of Section 11.

This horizontal well spacing unit will overlap the following existing Bone Spring spacing units:

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- 640-acre horizontal well spacing unit comprised of the W2 E2 of Sections 2, 11, and 14 dedicated COG Operating LLC Redtail Federal Com #602H (API: 30-025-53389).

Also to be considered will be designation of Applicant as operator. Said area is located approximately 25 miles east of Malaga, New Mexico.