

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

**APPLICATION OF COTERRA ENERGY
OPERATING CO. FOR
COMPULSORY POOLING,
AND TO THE EXTENT NECESSARY,
APPROVAL OF AN OVERLAPPING SPACING UNIT,
EDDY COUNTY, NEW MEXICO**

CASE NO. _____

APPLICATION

Coterra Energy Operating Co. ("Coterra"), OGRID Number 215099, through its undersigned attorneys, hereby submits this application to the Oil Conservation Division pursuant to the provisions of NMSA (1978), Section 70-2-17, for an order (1) pooling all uncommitted mineral interests within a standard 960-acre, more or less, Wolfcamp spacing unit comprised of the W/2 of Sections 21, 28, and 33, Township 25 South, Range 26 East, NMPM, Eddy County, New Mexico, and (2) approving, to the extent necessary, an overlapping spacing unit. In support of this application, Coterra states as follows:

1. Coterra has an interest in the subject lands and has a right to drill and operate a well thereon.
2. Coterra seeks to dedicate the W/2 of Sections 21, 28, and 33, Township 25 South, Range 26 East, NMPM, Eddy County, New Mexico to form a 960-acre, more or less, Wolfcamp horizontal spacing unit in the Purple Sage, Wolfcamp (Gas) Pool (pool code 98220).
3. Coterra seeks to dedicate the unit to the **Oracle 21-33 Fed Com #008H** well with a proposed surface hole location in NW/4NW/4 (Unit D) of Section 20 and a proposed bottom hole location in the SW/4SW/4 (Unit M) of Section 33.

4. The well will be horizontally drilled and will be located within the Purple Sage Wolfcamp Gas Pool (Code 98220), which is subject to special pool rules that establish 330-foot setback requirements.

5. The well will comply with the Division's setback requirements for this pool except the well will have non-standard first and last take points. Coterra will administratively apply for non-standard location approvals for the well's first and last take points.

6. This proposed unit will partially overlap with the following existing spacing unit:

- A 320-acre spacing unit dedicated to the Oracle 21 Federal #003H (API 30-015-39024) well located in the W/2 of Section 21, Township 25 South, Range 26 East and operated by Coterra Energy Operating Co.

7. Coterra has been unable to obtain a voluntary agreement from all interest owners in the Wolfcamp formation underlying the proposed spacing unit to participate in the drilling of the well or to otherwise commit their interests to the well.

8. The pooling of all interests in the Wolfcamp formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, Coterra requests that this case is set for hearing before an Examiner of the Oil Conservation Division on October 8, 2026, and after notice and hearing as required by law, the Division enter its order:

A. Pooling all uncommitted mineral interests in the Wolfcamp formation underlying a horizontal spacing unit within the W/2 of Sections 21, 28, and 33, Township 25 South, Range 26 East, NMPM, Eddy County, New Mexico;

B. Designating Coterra as operator of this unit and the wells to be drilled thereon;

- C. Authorizing Coterra to recover its costs of drilling, equipping and completing the well;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure;
- E. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well;
- F. Approving, to the extent necessary, the proposed overlapping spacing unit.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

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Application of Coterra Energy Operating Co. for compulsory pooling, and, to the extent necessary, approval of an overlapping spacing unit, Eddy County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted interests within a 960-acre, more or less, Wolfcamp horizontal spacing unit comprised of the W/2 of Sections 21, 28, and 33, Township 25 South, Range 26 East, NMPM, Eddy County, New Mexico in the Purple Sage Wolfcamp (Gas) pool (pool code 98220). This spacing unit will be dedicated to the **Oracle 21-33 Fed Com #008H** well with a proposed surface hole location in NW/4NW/4 (Unit D) of Section 20 and a proposed bottom hole location in the SW/4SW/4 (Unit M) of Section 33. Applicant will administratively apply for non-standard location approvals for the well's first and last take points. Applicant also seeks, to the extent necessary, approval of an overlapping spacing unit. This proposed unit will partially overlap with the following existing spacing unit: A 320-acre spacing unit dedicated to the Oracle 21 Federal #003H (API 30-015-39024) well located in the W/2 of Section 21, Township 25 South, Range 26 East and operated by Coterra Energy Operating Co. Also to be considered will be the cost of drilling, completing, and equipping said well, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Coterra Energy Operating Co. as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 5.8 miles southeast from Whites City, New Mexico.