

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

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

Case No. _____

APPLICATION

Pursuant to NMSA § 70-2-17, COG Operating LLC (“COG”) applies for an order pooling all uncommitted mineral interests in the WC-025 G-09 S243532M; Wolfbone Pool (98098) underlying a 400.83-acre, more or less, standard horizontal spacing unit comprised of the W/2 E/2 of Section 9, Township 25 South, Range 35 East, Lot 2, SW/4 NE/4 and W/2 SE/4 of irregular Section 4 (W/2 E/2 equivalent), Township 25 South, Range 35 East, and the W/2 SE/4 of Section 33, Township 24 South, Range 35 East in Lea County, New Mexico. In support of its Application, COG states the following.

1. COG (OGRID No. 229137) is a working interest owner in the proposed horizontal spacing unit and has the right to drill wells thereon.
2. The horizontal spacing unit will be dedicated to the Fez Federal Com #710H well, which will be horizontally drilled from a surface location in Unit O of Section 9, Township 25 South, Range 35 East to a bottom hole location in Unit J of Section 33, Township 24 South, Range 35 East.
3. The completed interval of the well will be orthodox.
4. COG has undertaken diligent, good-faith efforts to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well but has been unable to obtain voluntary agreements from all of the mineral interest owners.

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

6. In order to allow COG to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted mineral interests in the horizontal spacing unit should be pooled and COG should be designated the operator of the proposed horizontal well.

WHEREFORE, COG requests that this Application be set for hearing on December 3, 2020 and that, after notice and hearing, the Division enter an order:

- A. Pooling all uncommitted mineral interests in the horizontal spacing unit;
- B. Designating COG as the operator of the Fez Federal Com #710H well;
- C. Authorizing COG to recover its costs of drilling, equipping, and completing the well and allocating the costs among the well's working interest owners;
- D. Approving the actual operating charges and costs of supervision during drilling and after completion, together with a provision for adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Imposing a 200% penalty for the risk assumed by COG in drilling and completing the Fez Federal Com #710H well against any mineral interest owner who does not voluntarily participate in the drilling of the well.

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