

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

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

CASE NO. _____

APPLICATION

Pursuant to NMSA § 70-2-17, COG Operating LLC (“Applicant”) applies for an order pooling all uncommitted interests within the Wolfcamp formation underlying a 640-acre, more or less, standard horizontal spacing unit comprised of the W/2 of Sections 22 and 27, Township 20 South, Range 33 East, Lea County, New Mexico (“Unit”). Applicant states the following in support of its application:

1. Applicant (OGRID No. 229137) is a working interest owner in the Unit and has the right to drill wells thereon.
2. The Unit will be dedicated to the following proposed initial wells (“Wells”):
 - **Donkey Potroast Federal Com #702H** to be horizontally drilled from a surface hole location in the SE/4SW/4 (Unit N) of Section 15 to a bottom hole location in the SE/4SW/4 (Unit N) of Section 27, and
 - **Donkey Potroast Federal Com #703H** to be horizontally drilled from a surface hole location in the SE/4SW/4 (Unit N) of Section 15 to a bottom hole location in the SW/4SW/4 (Unit M) of Section 27.
3. The completed intervals of the Wells will be orthodox.
4. The completed interval for the Donkey Potroast Federal Com #702H well will be within 330’ of the line separating the W/2W/2 and E/2W/2 of Sections 22 and 27 to allow for the formation of a 640-acre standard horizontal spacing unit.

5. 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 the interest owners.

6. The pooling of uncommitted mineral interests 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 mineral interests in the Unit should be pooled and Applicant should be designated the operator of the Wells and Unit.

WHEREFORE, Applicant requests this application be set for hearing on November 4, 2021, and that after notice and hearing the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Wells in the Unit;
- C. Designating Applicant as operator of the Unit and the Wells to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping and completing the Wells;
- 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 Wells against any working interest owner who does not voluntarily participate in the drilling of the Wells.

Respectfully submitted,

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