

**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 (OGRID No. 229137) (“Applicant” or “COG”) applies for an order pooling all uncommitted interests in the Bone Spring formation, Red Hills; Upper Bone Spring Shale Pool (Pool Code 97900), underlying a 160-acre, more or less, standard horizontal spacing unit comprised of the E/2 W/2 of Section 25, Township 25 South, Range 33 East, Lea County, New Mexico (“Unit”). In support of its 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”):
 - The **Dominator 25 Federal Com 106H** well, to be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 25 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 25; and
 - The **Dominator 25 Federal Com 306H** well, to be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 25 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 25.
3. The completed interval of the Wells will be orthodox.

4. 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.

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

6. 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 as 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 December 1, 2022, 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 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 supervisions while drilling and after completion, together with a provision adjusting the rated 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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