

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

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

CASE NO. \_\_\_\_\_

**APPLICATION**

In accordance with NMSA 1978, § 70-2-17, COG Operating LLC (“COG” or “Applicant”), through its undersigned attorneys, files this application with the Oil Conservation Division (“Division”) seeking an order pooling all uncommitted interests in the Wolfcamp formation underlying a 1,535.8-acre, more or less, standard horizontal spacing unit comprised of Sections 23 and 26, and the N/2 N/2 and Lots 1, 2, 3, and 4 (“all”) of irregular Section 35, Township 26 South, Range 28 East, Eddy County, New Mexico (“Unit”). In support of this application, COG states the following.

1. Applicant (OGRID No. 229137) is a working interest owner in the Unit and has the right to drill thereon.
2. Applicant seeks to dedicate the Unit to the following proposed wells (“Wells”):
  - a. **Keg Shell Fed Com 701H, Keg Shell Fed Com 702H, Keg Shell Fed Com 901H, and Keg Shell Fed Com 902H**, to be drilled from a surface hole location in Lot 4 of Section 35, Township 26 South, Range 28 East, to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 23, Township 26 South, Range 28 East;
  - b. **Keg Shell Fed Com 703H**, to be drilled from a surface hole location in Lot 3 of Section 35, Township 26 South, Range 28 East, to a bottom hole

location in the NW/4 NE/4 (Unit B) of Section 23, Township 26 South, Range 28 East;

- c. **Keg Shell Fed Com 704H** and **Keg Shell Fed Com 705H**, to be drilled from a surface hole location in Lot 2 of Section 35, Township 26 South, Range 28 East, to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 23, Township 26 South, Range 28 East;
- d. **Keg Shell Fed Com 706H**, **Keg Shell Fed Com 908H**, and **Keg Shell Fed Com 909H**, to be drilled from a surface hole location in Lot 1 of Section 35, Township 26 South, Range 28 East, to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 23, Township 26 South, Range 28 East;
- e. **Keg Shell Fed Com 903H** and **Keg Shell Fed Com 904H**, to be drilled from a surface hole location in Lot 4 of Section 35, Township 26 South, Range 28 East, to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 35, Township 26 South, Range 28 East; and
- f. **Keg Shell Fed Com 906H** and **Keg Shell Fed Com 907H**, to be drilled from a surface hole location in Lot 1 of Section 35, Township 26 South, Range 28 East, to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 23, Township 26 South, Range 28 East.

3. The completed intervals of the Wells will be orthodox.

4. The completed interval of the Keg Shell Fed Com 906H well will be located within 330' of the line separating the E/2 and W/2 of Sections 23, 26, and 35 to allow for the creation of a 1,535.8-acre standard horizontal spacing unit.

5. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all of the interest owners in the Unit.

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

7. In order to permit 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 the operator of the proposed horizontal wells and the Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 2, 2023, 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 initial wells in the Unit;
- C. Designating Applicant as the operator of the Unit and the horizontal 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, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% charge 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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