

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

APR 03 2018 PM02:45

**APPLICATION OF COG PRODUCTION LLC  
FOR A NON-STANDARD OIL SPACING AND  
PRORATION UNIT AND COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.**

CASE NO. 16080

APPLICATION

COG Production LLC (“Concho”), through its undersigned attorneys, hereby makes application to the Oil Conservation Division pursuant to the provisions of NMSA 1978, Section 70-2-17, for an order: (1) creating a 640-acre, more or less, oil spacing and proration unit in the Wolfcamp formation, comprised of the E/2 of Sections 13 and 24, Township 26 South, Range 28 East, NMPM, Eddy County, New Mexico; and (2) pooling all mineral interests in the Wolfcamp formation underlying this proposed non-standard spacing and proration unit. In support of this application, Concho states as follows:

1. Concho is an interest owner in the subject lands and has the right to drill a well thereon.
2. Concho seeks to dedicate the E/2 of said Sections 13 and 24 to the proposed well to form a non-standard 640-acre, more or less, oil spacing and proration unit (the “project area”).
3. Concho proposes to drill the **Momba Federal Com Well No. 801H** to a depth sufficient to test the Wolfcamp formation from a surface location in the NE/4 NE/4 (Unit A) of Section 13 to a bottomhole location in the SE/4 SE/4 (Unit P) of Section 24.

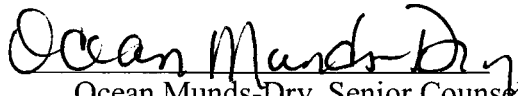
4. This project area is located within the Purple Sage Wolfcamp Gas Pool (Pool Code 98220).
5. Concho has sought but been unable to obtain a voluntary agreement from all mineral interest owners in the Wolfcamp formation underlying the proposed project area to participate in the drilling of the well or to otherwise commit their interests to the well.
6. Approval of the non-standard unit and the pooling of all mineral interests in the Wolfcamp formation underlying the proposed project area will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.
7. Notice of this application has been given in accordance with Division rules as shown on Exhibit A.

WHEREFORE, COG Production LLC requests this application be set for hearing before an Examiner of the Oil Conservation Division on May 3, 2018, and after notice and hearing as required by law, the Division enter its order:

- A. Creating a non-standard oil spacing and proration unit (“project area”) in the Wolfcamp formation comprised of the E/2 of Sections 13 and 24, Township 26 South, Range 28 East, NMPM, Eddy County, New Mexico;
- B. Pooling all mineral interests in the Wolfcamp formation underlying this non-standard spacing and proration unit/project area;
- C. Designating Concho as operator of this unit and the well to be drilled thereon;
- D. Authorizing Concho to recover its costs of drilling, equipping and completing this well;

- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. 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.

Respectfully submitted,



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**Attorneys for COG Operating LLC**

**EXHIBIT A**  
**COG PRODUCTION LLC NOTICE LIST**

**Parties to be pooled:**

Chevron U.S.A. Inc.  
1400 Smith Street  
Houston, TX 77002  
NOJV Delaware Basin Land Lead

OXY USA Inc.  
5 Greenway Plaza, Suite 110  
Houston, TX 77046  
Attn: NM Land Manager

Tap Rock Resources  
602 Park Point Drive, Suite 200  
Golden, CO 80401

Marathon Oil Permian LLC  
5555 San Felipe Street  
Houston, TX 77056  
Attn: Land Department

Mewboure Oil Company  
500 W. Texas Ave, Suite 1020  
Midland, TX 79701

Delaware Ranch, Inc.  
1304 W. Riverside Drive  
Carlsbad, NM 88220

Curtis W. Mewbourne, Trustee  
P.O. Box 7698  
Tyler, TX 75711

Chisos Minerals, LLC  
1111 Bagby St. Suite 2150  
Houston, TX 77002

R.F. Fort  
P.O. Box 65043  
Lubbock, TX 79464

Randall R. Fort  
9716 Admiral Emerson Ave NE  
Albuquerque, NM 87111

Tommy L. Fort  
P.O. Box 5356  
Midland, TX 79704

Margi Fort Burns  
10316 Country Manor Pl NW  
Albuquerque, NM 87114

Debra Kay Primera  
P.O. Box 28504  
Austin, TX 78755

Ricky D. Randl  
P.O. Box 142454  
Irving, TX 75014

Mitchell E. Cheney  
14511 Falling Creek, Suite 300  
Houston, TX 77014

Lynn S. Charuk  
3921 Tanforan Ct  
Midland, TX 79707

**CASE NO. 16080 : Application of COG Production LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order from the Division: (1) creating a non-standard 640-acre, more or less, oil spacing and proration unit in the Wolfcamp formation, comprised of the E/2 of Sections 13 and 24, Township 26 South, Range 28 East, NMPM, Eddy County, New Mexico; and (2) pooling all mineral interests in the Wolfcamp formation underlying this proposed non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the **Momba Federal Com Well No. 801H**, to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 13 to a bottomhole location in the SE/4 SE/4 (Unit P) of Section 24. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of COG Production LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 12 miles south of Malaga, New Mexico.