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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. 20527

APPLICATION

COG Operating LLC ("COG"), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of N.M. Stat. Ann. § 70-2-17, for an order pooling all uncommitted interests in the WC-025 G-09 S243532M; Wolfbone Pool (98098) underlying a standard 640-acre, more or less, horizontal spacing unit comprised of Lots 3-7, the SE/4 NW/4, and the E/2 SW/4 (W/2 equivalent) of irregular Section 6, and Lots 1-4, and the E/2 W/2 (W/2 equivalent) of irregular Section 7, Township 25 South, Range 35 East, Lea County, New Mexico. In support of its application, COG states:

1. COG Operating LLC (OGRID No. 229137) is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.

2. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following proposed wells:

- The **Stove Pipe Federal Com #601H**, the **Stove Pipe Federal Com #602H**, the **Stove Pipe Federal Com #701H**, the **Stove Pipe Federal Com #702H**, the **Stove Pipe Federal Com #703H**, and the **Stove Pipe Federal Com #704H** wells to be drilled from surface hole locations in SE/4 SW/4 (Unit N) of irregular Section 31, T24S, R35E, to bottom hole locations in the SE/4 SW/4 (Unit N) of irregular Section 7, T25S, R35E.
- The **Stove Pipe Federal Com #603H**, the **Stove Pipe Federal Com #706H**, and the **Stove Pipe Federal Com #707H** wells to be drilled from surface hole locations in SW/4 SW/4 (Lot 4) of irregular Section 31,

T24S, R35E, to bottom hole locations in the SW/4 SW/4 (Lot 4) of irregular Section 7, T25S, R35E.

- The **Stove Pipe Federal Com #705H** well to be drilled from a surface hole location in SE/4 SW/4 (Unit N) of irregular Section 31, T24S, R35E, to a bottom hole location in the SW/4 SW/4 (Lot 4) of irregular Section 7, T25S, R35E.

The completed interval for the proposed **Stove Pipe Federal Com #602H** well will be within 330' of the quarter-quarter line separating the W/2 W/2 equivalent and the E/2 W/2 equivalent of irregular Sections 6 and 7 to allow inclusion of this acreage into a standard 640-acre horizontal well spacing unit.

3. Since the proposed wells will be simultaneously drilled and completed, Applicant requests an extension of the time period to drill and complete the initial well from 120 days to 365 days.

4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all of the working interest owners in the subject spacing unit.

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

6. 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 this horizontal spacing unit should be pooled and Applicant should be designated the operator of this proposed horizontal wells and spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on June 13, 2019, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit;

- B. Approving the initial wells in the horizontal spacing unit;
- C. Authorizing an extension of the 120-day requirement to drill and complete the initial wells;
- D. Designating Applicant as the operator of this spacing unit and the horizontal wells to be drilled thereon;
- E. Authorizing Applicant to recover its costs of drilling, equipping and completing the wells;
- F. Approving the actual operating charges and costs of supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- G. 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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ATTORNEYS FOR COG OPERATING LLC

CASE 20527: **Application of COG Operating LLC for compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the WC-025 G-09 S243532M; Wolfbone Pool (98098) underlying a standard 640-acre, more or less, horizontal spacing unit comprised of Lots 3-7, the SE/4 NW/4, and the E/2 SW/4 (W/2 equivalent) of irregular Section 6, and Lots 1-4, and the E/2 W/2 (W/2 equivalent) of irregular Section 7, Township 25 South, Range 35 East, Lea County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following proposed wells:

- The **Stove Pipe Federal Com #601H**, the **Stove Pipe Federal Com #602H**, the **Stove Pipe Federal Com #701H**, the **Stove Pipe Federal Com #702H**, the **Stove Pipe Federal Com #703H**, and the **Stove Pipe Federal Com #704H** wells to be drilled from surface hole locations in SE/4 SW/4 (Unit N) of irregular Section 31, T24S, R35E, to bottom hole locations in the SE/4 SW/4 (Unit N) of irregular Section 7, T25S, R35E.
- The **Stove Pipe Federal Com #603H**, the **Stove Pipe Federal Com #706H**, and the **Stove Pipe Federal Com #707H** wells to be drilled from surface hole locations in SW/4 SW/4 (Lot 4) of irregular Section 31, T24S, R35E, to bottom hole locations in the SW/4 SW/4 (Lot 4) of irregular Section 7, T25S, R35E.
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The completed intervals for the proposed **Stove Pipe Federal Com #602H** well will be within 330' of the quarter-quarter line separating the W/2 W/2 equivalent and the E/2 W/2 equivalent of irregular Sections 6 and 7 to allow inclusion of this acreage into a standard 640-acre horizontal well spacing unit. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing each well. Said area is located approximately 12.5 miles southeast of Jal, New Mexico.