

**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

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 Wolfcamp formation, Mesa Verde; Wolfcamp Pool (98252), underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the W/2 of Sections 20 and 29, Township 24 South, Range 32 East, NMPM, Lea County, New Mexico. In support of its application, COG states:

1. COG (OGRID Number 229137) is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.

2. COG proposes to dedicate the above-referenced horizontal spacing unit to the following proposed initial wells, which it proposes to drill simultaneously:

- The **Azores Federal Com 704H** well to be horizontally drilled from a surface hole location in the SE/4SW/4 (Unit N) of Section 29 to a bottom hole location in the NE/4NW/4 (Unit C) of Section 20,

- The **Azores Federal Com 705H** well to be horizontally drilled from a surface hole location in the SW/4SW/4 (Unit M) of Section 29 to a bottom hole location in the NW/4NW/4 (Unit D) of Section 20, and
- The **Azores Federal Com 706H** well to be horizontally drilled from a surface hole location in the SW/4SW/4 (Unit M) of Section 29 to a bottom hole location in the NW/4NW/4 (Unit D) of Section 20.

The completed interval for the proposed **Azores Federal Com 705H** will be within 330' of the line separating the W/2W/2 and the E/2W/2 of Sections 20 and 29, which allows inclusion of this acreage into a standard 640-acre, more or less, horizontal spacing unit.

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

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

5. In order to permit COG to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the subject spacing unit should be pooled and COG should be designated the operator of the proposed horizontal wells and spacing unit.

WHEREFORE, COG requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 7, 2021 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. Designating COG as operator of this spacing unit and the wells to be drilled thereon;

- D. Authorizing COG 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 COG in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

COG OPERATING LLC

/s/ Michael Rodriguez

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ATTORNEYS FOR COG OPERATING LLC

Case No. _____: **Application of COG Operating LLC for compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Wolfcamp formation, Mesa Verde; Wolfcamp Pool (98252), underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the W/2 of Sections 20 and 29, Township 24 South, Range 32 East, NMPM, Lea County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following proposed wells: The Azores Federal Com 704H well to be horizontally drilled from a surface hole location in the SE/4SW/4 (Unit N) of Section 29 to a bottom hole location in the NE/4NW/4 (Unit C) of Section 20, The Azores Federal Com 705H well to be horizontally drilled from a surface hole location in the SW/4SW/4 (Unit M) of Section 29 to a bottom hole location in the NW/4NW/4 (Unit D) of Section 20, and The Azores Federal Com 706H well to be horizontally drilled from a surface hole location in the SW/4SW/4 (Unit M) of Section 29 to a bottom hole location in the NW/4NW/4 (Unit D) of Section 20. The completed interval for the proposed Azores Federal Com 705H will be within 330' of the line separating the W/2W/2 and the E/2W/2 of Sections 20 and 29, which allows inclusion of this acreage into a standard 640-acre, more or less, horizontal 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 30 miles East of Jal, New Mexico.