

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

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

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CASE NO 15679

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 (1) creating a 446 4-acre, more or less spacing and proration unit comprised of the W/2 of Section 29 and the N/2NW/4 and Lot 1 and Lot 2 of irregular Section 32, Township 26 South Range 29 East NMPM, Eddy County, New Mexico, and (2) pooling all uncommitted interests in the Wolfcamp Formation In support of its application COG states

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

2 COG proposes to dedicate the above-referenced spacing and proration unit as the project area for its proposed **Sidewinder Federal Com No 4H Well**, which will be horizontally drilled from a surface location in the SW/4 NW/4 (Lot 1) of irregular Section 32¹ to a standard bottomhole location in the NW/4 NW/4 (Unit D) of Section 29

¹ Section 32 is an irregular section which borders the state of Texas

3 The completed interval for this well will remain within the 330-foot standard offset required by the Special Rules for the Purple Sage-Wolfcamp Gas Pool in Division Order No R-14262

4 COG has sought and been unable to obtain voluntary agreement for the development of these lands from all of the 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 COG to obtain it's just and fair share of the oil and gas underlying the subject lands all uncommitted interests in this non standard spacing unit should be pooled and COG Operating LLC should be designated the operator of this proposed horizontal well and spacing unit

WHEREFORE COG requests that this application be set for hearing before an Examiner of the Oil Conservation Division on April 27, 2017, and after notice and hearing as required by law the Division enter an order

A Creating 446 4-acre, more or less, spacing and proration unit comprised of the W/2 of Section 29 and the N/2NW/4 and Lot 1 and Lot 2 of irregular Section 32 Township 26 South Range 29 East NMPM Eddy County New Mexico,

B Pooling all uncommitted interests in the non standard spacing and proration unit,

C Designating COG Operating LLC operator of this non-standard spacing unit and the horizontal well to be drilled thereon,

- D Authorizing COG to recover its costs of drilling equipping and completing the well,
- 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 well against any working interest owner who does not voluntarily participate in the drilling of the well

Respectfully submitted

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By



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ATTORNEYS FOR COG OPERATING LLC

CASE 15679

Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico Applicant in the above styled cause seeks an order (1) creating a 446 4-acre more or less, spacing and proration unit comprised of the W/2 of Section 29 and the N/2NW/4 and Lot 1 and Lot 2 of irregular Section 32 Township 26 South, Range 29 East NMPM, Eddy County, New Mexico, and (2) pooling all uncommitted interests in the Wolfcamp Formation Said non standard unit is to be dedicated to applicant's proposed **Sidewinder Federal Com No 4H Well**, which will be horizontally drilled from a surface location in the SW/4 SW/4 (Lot 1) of irregular Section 32 to a standard bottomhole location in the NW/4 NW/4 (Unit D) of Section 29 The completed interval for this well will remain within the 330 foot standard offset required by the Special Rules for the Purple Sage Wolfcamp Gas Pool in Division Order No R 14262 Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the well and a 200% charge for risk involved in drilling said well Said area is located approximately 13 5 miles SE of Malaga, New Mexico