

15265

CASE NO 15765

Figure 10

3 The completed interval for this well will remain within the 330-foot offset
as required by the Statewide rules for oil wells

4 COG 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 COG to obtain its 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 July 20, 2017, and after notice and hearing as required by law the Division enter an order

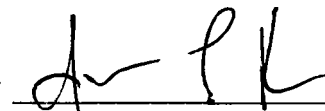
- A Creating a 319 91 acre more or less spacing and proration unit E/2 E/2 of Section 5 and the E/2 E/2 of Section 8, Township 20 South Range 32 East NMPM, Lea County, New Mexico,
- B Pooling all uncommitted interests in the non-standard spacing and proration unit
- C Designating COG Operating LLC operator 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 15265

Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico Applicant in the above-styled cause seeks an order (1) creating a non standard 319 91 acre, more or less, spacing and proration unit comprised of the E/2 E/2 of Section 5 and the E/2 E/2 of Section 8, Township 20 South, Range 32 East New Mexico, and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage Said non standard unit is to be dedicated to applicant's proposed **Ringo 32 Fed Com No 1H Well**, which will be horizontally drilled from a surface location in the SE/4 SE/4 (Lot 4) of Section 32, Township 19 South, Range 32 East, to a standard bottom hole location in the SE/4 SE/4 (Unit P) of Section 8, Township 20 South Range 32 East The completed interval for this well will remain within the 330 foot offset as required by the Statewide rules for oil wells 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 28 miles northeast of Carlsbad, New Mexico