

**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. 20271

**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 Bone Spring formation underlying a 640-acre horizontal spacing unit comprised of the W/2 of Section 35, Township 25 South, Range 32 East and the W/2 of Section 2, Township 26 South, Range 32 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. COG seeks to dedicate the above-referenced horizontal spacing unit to the following proposed wells:

- The **Harrier Federal Com #101H** well to be drilled from a surface hole location in SE/4 SW/4 (Unit N) of Section 2 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 35.
- The **Harrier Federal Com #102H** well to be drilled from a surface hole location in SW/4 SW/4 (Unit M) of Section 2 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 35.
- The **Harrier Federal Com #103H** well to be drilled from a surface hole location in NW/4 NW/4 (Unit D) of Section 35 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 2.
- The **Harrier Federal Com #201H** well to be drilled from a surface hole location in SE/4 SW/4 (Unit N) of Section 2 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 35.

- The **Harrier Federal Com #202H** well to be drilled from a surface hole location in NW/4 NW/4 (Unit D) of Section 35 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 2.
- The **Harrier Federal Com #301H** well to be drilled from a surface hole location in SE/4 SW/4 (Unit N) of Section 2 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 35.
- The **Harrier Federal Com #302H** well to be drilled from a surface hole location in SE/4 SW/4 (Unit N) of Section 2 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 35.
- The **Harrier Federal Com #303H** well to be drilled from a surface hole location in SE/4 SW/4 (Unit N) of Section 2 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 35.
- The **Harrier Federal Com #304H** well to be drilled from a surface hole location in SW/4 SW/4 (Unit M) of Section 2 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 35.
- The **Harrier Federal Com #305H** well to be drilled from a surface hole location in SW/4 SW/4 (Unit M) of Section 2 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 35.

The completed intervals for the proposed **Harrier Federal Com #101H, 201H and 303H** wells will each be within 330' of the quarter-quarter line separating the W/2 W/2 and the E/2 W/2 of Sections 35 and 2 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, COG requests an extension of the time period to drill and complete the initial well from 120 days to 365 days.

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 horizontal spacing unit should be pooled and

COG Operating LLC should be designated the operator of this 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 March 7, 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;
- C. Authorizing an extension of the 120-day requirement to drill and complete the initial wells;
- D. Designating COG Operating LLC operator of this spacing unit and the horizontal wells to be drilled thereon;
- E. Authorizing COG 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 COG 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 2027:**      **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 Bone Spring formation underlying a standard 640-acre horizontal spacing unit comprised of the W/2 of Section 35, Township 25 South, Range 32 East and the W/2 of Section 2, Township 26 South, Range 32 East Lea County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following proposed wells:

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The completed intervals for the proposed **Harrier Federal Com #101H, 201H and 303H** wells will each be within 330' of the quarter-quarter line separating the W/2 W/2 and the E/2 W/2 of Sections 35 and 2 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 COG Operating LLC as operator, and the imposition of 200% charge for risk involved in drilling and completing each well. Said area is located approximately 27 miles west of Jal, New Mexico.