

Approved

NSL

Order

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Michelle Lujan Grisham**  
Governor

**Sarah Cottrell Propst**  
Cabinet Secretary

**Todd E. Leahy, JD, PhD**  
Deputy Cabinet Secretary

**Adrienne E. Sandoval, Director**  
Oil Conservation Division



February 10, 2021

Ms. Mayte Reyes  
[mreyes1@concho.com](mailto:mreyes1@concho.com)

NON-STANDARD LOCATION

**Administrative Order NSL-8129**

**COG Operating, LLC [OGRID 229137]**  
**Mercury State Com Well No. 706H**  
**API No. 30-015-47525**

**Proposed Location**

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	220 FSL & 1395 FWL	N	18	26S	28E	Eddy
First Take Point	10 FSL & 330 FWL	M	18	26S	28E	Eddy
Last Take Point/ Terminus	50 FNL & 330 FWL	1	6	26S	28E	Eddy

**Proposed Horizontal Gas Units**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W/2 of Section 18	958.16	Purple Sage; Wolfcamp (GAS)	98220
W/2 of Section 7			
W/2 of Section 6			

Reference is made to your application received on January 20, 2021.

You have requested to complete this horizontal well as a gas well described above in the referenced pool or formation. This well is governed by special rules, R-14262, for the Purple Sage; Wolfcamp (Gas) Pool and provides for 320-acre units, with wells located at least 330 feet from a unit outer boundary.

This well's completed interval is as close as 10 feet to the southern edge and 50 feet to the northern edge. Encroachment will impact the following tract.

Section 19, encroachment to the NW/4  
Section 34, 25S 28E, encroachment to the SW/4

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The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (8) Subsection A of 19.15.2.7 NMAC, in all adjoining units towards which the proposed location encroaches.

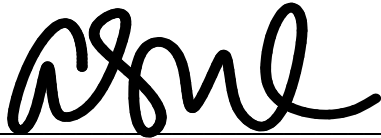
Division understands you are seeking this unorthodox location to allow for spacing in order to optimize recovery of minerals in place and thus preventing waste within the Wolfcamp formation underlying the W/2 of Section 18, W/2 of Section 7 and the W/2 of Section 6.

Your application has been filed under 19.15.16.15(C)(6) NMAC, 19.15.15.13 NMAC and 19.15.4.12 (A)(2) NMAC.

Per Subsection B of 19.15.15.13 NMAC, **Division approves this unorthodox location.**

The above approvals are subject to your following all other applicable Division rules.

Jurisdiction of this case is retained for the entry of further orders as Division deems necessary.



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**ADRIENNE E. SANDOVAL**  
**Division Director**

AES/lrl

cc: Oil Conservation Division – Artesia District Office  
State Land Office - Oil, Gas and Mineral Division

**From:** [Lowe, Leonard, EMNRD](#)  
**To:** [Mayte Reyes](#)  
**Cc:** [Bratcher, Mike, EMNRD](#); [Kautz, Paul, EMNRD](#); ["lisa@rwbyram.com"](#); [Holm, Anchor E.](#)  
**Subject:** APPROVED NSLs\_2 Mercury State Com Wells\_SEC 18 26S 28E  
**Date:** Tuesday, February 16, 2021 10:04:00 AM  
**Attachments:** [NSL-8128 Approved Order.pdf](#)  
[image002.png](#)  
[NSL-8129 Approved Order.pdf](#)  
**Importance:** High

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Mayte Reyes,

The following NSL Administrative Orders have been issued and will soon be available on the Division's web site:

<http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx>

NSL	AMD	Applicant	OGRID	WELL NAME	API #
8129	-	COG Operating, LLC	229137	Mercury State Com Well No. 706H	30-015-47525
8128	-	COG Operating, LLC	229137	Mercury State Com Well No. 705H	30-015-47524

A copy of the approved orders are attached.

**Leonard R. Lowe**

Engineering Bureau

OCD - EMNRD

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<http://www.emnrd.state.nm.us/ocd/>