

Lowe Leonard, EMNRD

From Debora Wilbourn <DWilbourn@concho.com>
Sent Thursday, March 23, 2017 10:56 AM
To Lowe Leonard, EMNRD
Cc Jones, William V, EMNRD
Subject RE: COG Operating LLC NSL Bultaco State Well No. 3H

Mr. Lowe, I have asked for some input on this from other departments that will be involved in the operation & production of this well and will get back to you. It will probably be next week before I have the information for you.

Case 15643

Debora Wilbourn

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From Lowe, Leonard, EMNRD [mailto:Leonard.Lowe@state.nm.us]
Sent Thursday, March 23, 2017 8:50 AM
To Debora Wilbourn
Cc Jones, William V, EMNRD
Subject [External] COG Operating LLC NSL Bultaco State Well No. 3H
Importance High

**** External email Use caution ****

Ms. Wilbourn,

The Division is currently reviewing an NSL application for the COG Operating, LLC Bultaco State Well No. 3H filed on October 6, 2016. This horizontal well is proposed to be dedicated to a standard 160-acre project area comprising the E/2 E/2 of Section 36, Township 22 South, Range 31 East. The proposed well location is situated 25 feet from the western outer boundary of the project area, and will encroach toward a standard 160-acre project area comprising the W/2 E/2 of Section 36, this unit currently dedicated to the COG Operating LLC Bultaco State Well No. 2H. The OCD is concerned about this application due to the fact that the well location is extremely unorthodox with respect to its project area, and it appears from your application that the interest ownership between the E/2 E/2 and W/2 E/2 of Section 36 is not common. It appears that proper notice to the working interest owners in the W/2 E/2 of Section 36 has been provided. With respect to this well location, please elaborate on how the correlative rights of the working interest owners in the W/2 E/2 of Section 36 will be protected in the event the OCD grants this unorthodox location request.

Thanks,

Leonard Lowe
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