

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



February 22, 2018

Debora L. Wilbourn
COG Operating, LLC
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NON-STANDARD LOCATION

Administrative Order NSL-7638

COG Operating, LLC. OGRID 229137
Gettysburg State Com Well No. 14H
API No. 30-025-44231

Non-Standard Location

Proposed Location:

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	244' FNL & 1540' FWL	C	16	23S	34E	Lea
Penetration Point	330' FNL & 1325' FWL	C	16	23S	34E	Lea
Final perforation	2310' FNL & 1325' FWL	F	21	23S	34E	Lea
Terminus	2440' FNL & 1325' FWL	F	21	23S	34E	Lea

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E/2 W/2 of Section 16	240	Antelope Ridge; Bone Spring, West	2209
E/2 NW/4 of Section 21			

Reference is made to your application received on January 25, 2018.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by statewide Rule 19.15.15.9.A NMAC, which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary.

This well's completed interval is as close as 5 feet from the western edge of the project area and therefore will cause an encroachment toward the following tracts:

Section 9, encroachment to SW/4 SW/4

Section 16, encroachment to W/2 W/2

Section 21, encroachment to the W/2 NW/4 and NW/4 SW/4

It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 19.15.4.12 A (2) NMAC, in all adjoining units towards which the proposed location encroaches.

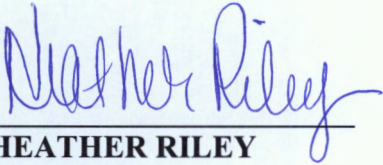
It is our understanding that the Applicant is seeking this location to maximize the recovery of oil and gas reserves from the Bone Spring formation underlying the E/2 W/2 of Section 16 and the E/2 NW/4 of Section 21.

Your application has been duly filed under the provisions of Division Rules 19.15.15.13 NMAC and 19.15.4.12.A (2) NMAC.

Pursuant to the authority conferred by Division Rule 19.15.15.13 (B) NMAC, the above-described unorthodox location is hereby approved.

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

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.


HEATHER RILEY
Director

HR/lrl

cc: Oil Conservation Division – Hobbs District Office
State Land Office – Oil, Gas, and Minerals Division