

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



March 5, 2018

Robyn Russell
COG Operating, LLC
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NON-STANDARD LOCATION

Administrative Order NSL-7635

**COG Operating, LLC. [OGRID 229137]
Zeppo 5 Federal Com Well No. 17H
API No. 30-025-PENDING**

Non-Standard Location

Proposed Location:

	Footages	Unit/Lot	Sec.	Twsp	Range	County
Surface	2490' FNL & 1375' FEL	G	5	17S	32E	Lea
Penetration Point	2540' FSL & 990' FEL	I	5	17S	32E	Lea
Final perforation	100' FSL & 990' FEL	P	8	17S	32E	Lea
Terminus	10' FSL & 990' FEL	P	8	17S	32E	Lea

Proposed Project Area:

Description	Acres	Pool	Pool Code
E/2 SE/4 of Section 5 E/2 E/2 of Section 8	240	Maljamar; Yeso, West	44500

Reference is made to your application received on February 12, 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 100 feet from the northern and southern edge, and the diagonal of both northern and southern corners of 345 feet, of the project area and therefore will cause an encroachment toward the following tracts:

Section 5, encroachment to the S/2 NE/4
Section 17, encroachment to the N/2 NE/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.

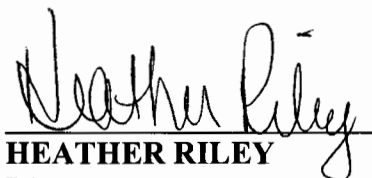
It is our understanding that the Applicant is seeking this location to reduce waste while protecting correlative rights, and improving well economics from the Yeso formation underlying the E/2 SE/4 of Section 5 and the E/2 E/2 of Section 8.

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
Bureau of Land Management – Carlsbad Field Office