

State of New Mexico
Energy, Minerals and Natural Resources Department

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Governor

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Heather Riley, Division Director
Oil Conservation Division



March 5, 2018

Robyn Russell
COG Operating, LLC
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NON-STANDARD LOCATION

Administrative Order NSL-7650

COG Operating, LLC. [OGRID 229137]
Shovel Head Federal Well No. 28H
API No. 30-025-PENDING

Non-Standard Location

Proposed Location:

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	450' FSL & 230' FEL	P	5	17S	32E	Lea
Penetration Point	450' FSL & 100' FWL	M	4	17S	32E	Lea
Final perforation	430' FSL & 2540' FWL	N	3	17S	32E	Lea
Terminus	430' FSL & 2630' FWL	N	3	17S	32E	Lea

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
S/2 S/2 of Section 4	240	Maljamar; Yeso, West	44500
S/2 SW/4 of Section 3			

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 western and eastern edge, and 461 feet on the diagonal of the penetration point and 441 feet on the final perforation location of the project area and therefore will cause an encroachment toward the following tracts:

Section 5, encroachment to the SE/4 SE/4
Section 8, encroachment to the NE/4 NE/4
Section 3, encroachment to the SW/4 SE/4
Section 10, encroachment to the NW/4 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 S/2 S/2 of Section 4 and the S/2 SW/4 of Section 3.

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