State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

Ken McQueen Cabinet Secretary Heather Riley, Division Director Oil Conservation Division



Matthias Sayer

Deputy Cabinet Secretary

August 27, 2018

Debora Wilbourn COG Production, LLC dwilbourn@concho.com

NON-STANDARD LOCATION

Administrative Order NSL-7753

COG Production, LLC [OGRID 217955] Eider Federal Well No. 204H API No. 30-025-44636

Proposed Location

	Footages	Unit/Lot	Sec.	Twsp	Range	County
Surface	210 FSL & 2060 FWL	N	35	24S	32E	Lea
Penetration Point	330 FSL & 2635 FWL	N	35	24S	32E	Lea
Final perforation/	2410 FSL & 2635 FWL	K	26	24S	32E	Lea
Terminus						

Proposed Project Area

Description	Acres	Pool	Pool Code
E2 SW4 of Section 26	240	WC-025 G-06 S253210M; Upper Bone Spring	97784
E2 W2 of Section 35			

Reference is made to your application received on March 19, 2018.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. Subsection A of 19.15.15.9 NMAC governs this pool and 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 330 feet to the northeastern edge, and 5 feet to the eastern edge, and 330 feet to the southeastern edge of the project area. Encroachments will impact

the following tracts.

Section 26, T24S R32E encroachment to the SW4 NE4 and W2 SE4 Section 35, T24S R32E encroachment to the W2 E2 Section 2, T25S R32E encroachment to the NW4 NE4

Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (2) of Subsection A of 19.15.4.12 NMAC, in all adjoining units towards which the proposed location encroaches.

Division understands you seek this location to allow for efficient and maximum recovery of production from within the Bone spring formation underlying the E2 SW4 of Section 26 and E2 W2 of Section 35.

Your application has been filed under 19.15.15.13 NMAC and Paragraph (2) of Subsection A of 19.15.4.12 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.

HEATHER RILEY

Director

HR/mam

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