

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



September 21, 2018

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NON-STANDARD LOCATION

Administrative Order NSL-7759

COG Operating LLC [OGRID 229137]
Snap Back Fee Well No. 601H
API No. 30-025-PENDING

Proposed Location

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	2430 FSL & 440 FEL	I	18	24S	35E	Lea
First Take Point	2310 FSL & 190 FEL	I	18	24S	35E	Lea
Last Take Point	2310 FNL & 190 FEL	H	19	24S	35E	Lea
Terminus	2440 FNL & 190 FEL	H	19	24S	35E	Lea

Proposed Horizontal Spacing Unit

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E2 SE4 of Section 18	160	Wildcat; Wolfbone	98098
E2 NE4 of Section 19			

Reference is made to your application received on August 31, 2018.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. Sub Paragraph (a) of Paragraph (1) of Subsection B of 19.15.16.15 NMAC governs this proposed well and provides that the operator shall dedicate to each horizontal oil well a standard horizontal spacing unit that comprises of one or more contiguous tracts that the horizontal oil well's completed interval penetrates, each of which consists of a governmental quarter-quarter section or equivalent.

This well's completed interval is as close as 190 feet to the eastern edge of the horizontal spacing unit. Encroachments will impact the following tract.

Section 17, encroachment to the W2 SW4
Section 20, encroachment to the W2 NW4

SCANNED

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (8) Subsection A of 19.15.2.7 NMAC, in all adjoining units towards which the proposed location encroaches.

The Division understands you seek this location in order to maximize recovery of reserves located in the Wolfbone formation underlying the E2 SE4 of Section 18 and the E2 NE4 of Section 19 thereby preventing waste and improving well performance.

Your application has been filed under Subsection 6 of Paragraph of Section (C) of 19.15.16.15 NMAC, 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/lrl

cc: Oil Conservation Division – Hobbs District Office