

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
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Heather Riley, Division Director
Oil Conservation Division



November 21, 2018

Ms. Debora L. Wilbourn
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NON-STANDARD LOCATION

Administrative Order NSL-7782

COG Operating, LLC [OGRID 229137]
Baseball Cap Federal Com Well No. 702H
API No. 30-025-PENDING

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	430 FSL & 1140 FEL	P	25	24S	34E	Lea
First Take Point	330 FSL & 1420 FEL	O	25	24S	34E	Lea
Last Take Point	330 FNL & 1420 FEL	B	24	24S	34E	Lea
Terminus	200 FNL & 1420 FEL	B	24	24S	34E	Lea

Proposed Horizontal Spacing Unit

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W2 E2 of Section 25	320	Wildcat; Wolfcamp	98116
W2 E2 of Section 24			

Reference is made to your application received on October 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 100 feet to the eastern edge. Encroachments will impact the following tracts.

Section 25, encroachment to the E2 E2

Section 24, encroachment to the E2 E2

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.


Division understands you seek this location as a preferred well spacing for horizontal wells to maximize the recovery of oil and gas reserves underlying the horizontal spacing unit located within the Wolfcamp formation underlying the W2 E2 of Section 25 and W2 E2 of Section 24.

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
Bureau of Land Management – Carlsbad Field Office