

Approved

NSL

Order

Approved: 11/21/19

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Cabinet Secretary

Adrienne E. Sandoval, Director
Oil Conservation Division



November 21, 2019

Mr. Stan Wagner
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NON-STANDARD LOCATION

Administrative Order NSL-7959

COG Operating, LLC. [OGRID 229137]
Hambone Federal Com Well No. 706H
API No. 30-015-PENDING

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	1353 FSL & 1695 FWL	K	8	26S	29E	Eddy
First Take Point	1420 FSL & 330 FWL	L	8	26S	29E	Eddy
Last Take Point	330 FNL & 330 FWL	D	5	26S	29E	Eddy
Terminus	200 FNL & 330 FWL	D	5	26S	29E	Eddy

Proposed Horizontal Gas Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
N/2 SW/4 & NW/4 of Section 8 & W2 of Section 5	560	Purple Sage; Wolfcamp (GAS)	98220

Reference is made to your application received on October 16, 2019.

You have requested to complete this horizontal well as a gas well described above in the referenced pool or formation. This well is governed by special rules for the Purple Sage; Wolfcamp (Gas) Pool of and provides for 320-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 to the southern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 8, encroachment to the S/2 SW/4

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 unorthodox location in order to optimize resources to improve well economics for your horizontal well, thereby preventing waste within the Wolfcamp formation underlying the N/2 SW/4 & NW/4 of Section 8 and W2 of Section 5.

Your application has been filed under 19.15.16.15(C)(6) NMAC, 19.15.15.13 NMAC and 19.15.4.12 (A)(2) 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.



ADRIENNE E. SANDOVAL
Division Director

AES/lrl

cc: Oil Conservation Division – Artesia District Office
Bureau of Land Management – Carlsbad Field Office
State Land Office – Oil, Gas, and Minerals Division