

Approved

NSL

Order

Approved: 11/21/19

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**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

Ms. Robyn Russell  
[Russell@concho.com](mailto:Russell@concho.com)

NON-STANDARD LOCATION

**Administrative Order NSL-7960**

**COG Operating, LLC. [OGRID 229137]**  
**Pickelhaube State Well No. 602H**  
**API No. 30-025-46405**

**Proposed Location**

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	330 FNL & 1286 FWL	D	36	24S	34E	Lea
First Take Point	100 FNL & 1485 FWL	C	36	24S	34E	Lea
Last Take Point	100 FSL & 1485 FWL	N	36	24S	34E	Lea
Terminus	50 FSL & 1485 FWL	N	36	24S	34E	Lea

**Proposed Horizontal Units**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E/2 W/2 of Section 36	160	Red Hills; Bone Spring, North	96434

Reference is made to your application received on October 31, 2019.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. 19.15.16.15(B)(1)(a) 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 165 feet to the western edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 36, encroachment to the W/2 W/2

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in 19.15.2.7(A)(8) 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 E/2 W/2 of Section 36.

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 19.15.15.13 (B) 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/rl

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