



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bernis
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



February 6, 2012

COG Operating, LLC
Attn: Ms. Kelly J. Holly
Fasken Center, Tower II
550 West Texas Ave., Suite 1300
Midland, TX 79701

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-6553
Administrative Application Reference No. pTWG12-01255771

COG Operating, LLC
OGRID 229137
MC Federal Well No. 57
API No. 30-025-40096

Proposed Location:

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Township</u>	<u>Range</u>	<u>County</u>
Surface	2576 FSL & 1474 FEL	J	21	17S	32E	Lea
Penetration Point	2412 FSL & 1101 FEL	I	21	17S	32E	Lea
Terminus	2310 FSL & 990 FEL	I	21	17S	32E	Lea

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
NE/4 SE/4 of Section 21	40	West Maljamar; Yeso	44500

Reference is made to your application received on January 12, 2012

You have requested to drill this directional well at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by statewide Rule 15.9.A [19.15.15.9.A NMAC], which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary, and Rule 15.16.14.B(2) [19.15.16.14.B(2) NMAC] concerning directional wells in

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designated project areas. This location is unorthodox because portions of the proposed producing area are less than 330 feet from an outer boundary of the project area.

Your application has been duly filed under the provisions of Division Rules 15.13 [19.15.15.13 NMAC] and 4.12.A(2) [19.15.4.12.A(2) NMAC].

It is our understanding that you are seeking this location to avoid interference with existing pipelines.

It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9 [19.15.15.9 NMAC].

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Jami Bailey". The signature is fluid and cursive, with a large initial "J" and "B".

Jami Bailey
Director

JB/db

cc: New Mexico Oil Conservation Division – Hobbs
United States Bureau of Land Management