

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary

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

Jami Bailey
Division Director
Oil Conservation Division



April 3, 2012

COG Operating, LLC
Attn: Ms. Kelly Holly

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-6583
Administrative Application Reference No. pTWG12-06746630

COG Operating, LLC
OGRID 229137
Skelly Unit Well No. 673
API No. 30-015-40093

Proposed Location:

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Township</u>	<u>Range</u>	<u>County</u>
Surface	1621 FSL & 1134 FWL	L	14	17S	31E	Eddy
Penetration Point	1649 FSL & 1478 FWL	K	14	17S	31E	Eddy
Terminus	1650 FSL & 1650 FWL	K	14	17S	31E	Eddy

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
NE/4 SW/4	40	Mar Loco; Glorieta-Yeso	97866

Reference is made to your application received on March 7, 2012

You have requested to drill this horizontal 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 designated project areas. This location is unorthodox because portions of the proposed completed interval 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 comply with United States Bureau of Land Management surface siting requirements.

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 cursive and somewhat stylized.

Jami Bailey
Director

JB/db

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