

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

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

David R. Catanach, Division Director
Oil Conservation Division



February 5, 2015

COG Operating LLC
Attn: Ms. Melanie Parker

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-7229
Administrative Application Reference No. pMAM1501557013

COG Operating LLC
OGRID 229137
Flyswatter State Well No. 3
API No. 30-015-42764

Proposed Location:

| <u>Footages</u> | <u>Unit</u> | <u>Sec.</u> | <u>Twsp</u> | <u>Range</u> | <u>County</u> |
|--------------------|-------------|-------------|-------------|--------------|---------------|
| 190 FSL & 1980 FWL | N | 31 | 23S | 27E | Eddy |

Proposed Unit:

| <u>Description</u> | <u>Acres</u> | <u>Pool</u> | <u>Pool Code</u> |
|-------------------------|--------------|------------------------------------|------------------|
| SE/4 SW/4 of Section 31 | 40 | Wildcat G-02 S242703O; Bone Spring | 97837 |

Reference is made to your application received on January 15, 2015.

You have requested to drill this well at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by statewide Rule 19.15.15.9.A NMAC, which provides for 40-acre units with wells located at least 330 feet from a unit outer boundary. This location is less than 330 feet from a unit outer boundary.

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

An unorthodox location is necessary to determine based on testing of this well, which Bone Spring interval would be best suited for future horizontal development.

It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 19.15.4.12 A (2) NMAC, in all adjoining units towards which the proposed location encroaches.

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Pursuant to the authority conferred by Division Rule 19.15.15.13 (B) NMAC, 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 19.15.5.9 NMAC.

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

Done at Santa Fe, New Mexico, on February 5, 2015.



DAVID R. CATANACH

Director

DC/mam

cc: New Mexico Oil Conservation Division – Artesia
New Mexico State Land Office – Oil, Gas, and Minerals
Bureau of Land Management - Carlsbad