

State of New Mexico
Energy, Minerals and Natural Resources Department

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Ms. Ocean Munds-Dry
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Administrative Order NSP - 2150

ADMINISTRATIVE NON-STANDARD HORIZONTAL SPACING UNIT

COG Operating LLC [OGRID 229137]

Potato Baby State Com Well No. 901H [API No. 30-015-49967]

Potato Baby State Com Well No. 902H [API No. 30-015-49968]

Located in Section 27 and Section 22, T26 South, R28 East, Eddy County, New Mexico

Reference is made to your application received on February 21st, 2023.

You have requested approval of a non-standard horizontal gas spacing unit to be included in your proposed horizontal spacing unit, as follows:

Proposed Horizontal Spacing Unit:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E/2 of Section 34	527.72	Purple Sage; Wolfcamp	98220
E/2 of Section 27			
S/2 SE/4 of Section 22			

Area of Exclusion:

<u>Description</u>	<u>Acres</u>
N/2 SE/4 of Section 22	80

You have requested an exception pursuant to Rule 19.15.16.15(A)(3) NMAC, to approve a non-standard horizontal spacing unit comprising 527.72 acres, consisting of the entire area described above as the horizontal spacing unit. The proposed horizontal spacing unit does not consist of a quarter section or equivalent in both sections, as required by Rule 19.15.16.15(B)(3) NMAC.

We understand that you are seeking this exception for an allowance to create a non-standard horizontal spacing unit, comprised of the Proposed Horizontal Spacing Unit referenced above within Eddy County, New Mexico.

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 which are being excluded.

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You have requested this non-standard horizontal spacing unit to allow for one surface production facility, to reduce surface disturbance and to eliminate the need for commingling within the Wolfcamp formation underlying the E/2 of Section 34, E/2 of Section 27, and the S/2 SE/4 of Section 22. Therefore, reducing waste while protecting the correlative rights within the referenced Horizontal Spacing Unit.

Pursuant to the authority conferred by Division Rule 19.15.16.15(B)(5) NMAC, the above-described **non-standard horizontal spacing unit is hereby approved**. Further, the Applicant may add additional wells to the horizontal spacing unit. The additional well(s) shall be designated to the same horizontal spacing unit and pool/formation. Submit a Change of Plans to the OCD's permitting website. Once submitted, email the Action ID number to the following e-mail address: ocd.engineer@emnrd.nm.gov of notice for additional wells.

General Provisions

The above approvals are 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.



DYLAN M. FUGE
DIRECTOR (ACTING)
DMF/lrl

Date: 3/27/23

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 201632

CONDITIONS

Operator: COG OPERATING LLC 600 W Illinois Ave Midland, TX 79701	OGRID: 229137
	Action Number: 201632
	Action Type: [UF-NSP] Non-Standard Proration (NSP)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	3/28/2023