

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Susana Martinez**  
Governor

**David Martin**  
Cabinet Secretary

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

**Jami Bailey, Division Director**  
Oil Conservation Division



August 7, 2014

COG PRODUCTION, LLC  
Attn: Ms. Melanie Parker

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

**Administrative Order NSL-7131**  
**Administrative Application Reference No. pMAM1421856491**

**COG Production, LLC**  
OGRID 217955  
**Eata Fajita State Well No. 5H**  
**API No. 30-025-41997**

**Proposed Location:**

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	185 FSL & 1315 FEL	A	8	24S	33E	Lea
Penetration Point	330 FSL & 1315 FEL	A	8	24S	33E	Lea
Terminus	330 FNL & 1315 FEL	A	8	24S	33E	Lea

**Proposed Project Area:**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E/2 E/2 of Section 8	160	Triple X; Bone Spring, West	96674

Reference is made to your application received on August 6, 2014.

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 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 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 closer to outside boundaries of the proposed project area than any location that would be a standard location under the applicable pool rules.

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

It is our understanding that you are seeking this location to test infill drilling in a lower target within the 2<sup>nd</sup> Bone Spring Sand to enhance hydrocarbon recoveries.

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 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 August 7, 2014.

A handwritten signature in black ink, appearing to read "Jami Bailey", is written over a horizontal line.

Jami Bailey  
Director

JB/mam

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