

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Susana Martinez**  
Governor

**Ken McQueen**  
Cabinet Secretary

**Matthias Sayer**  
Deputy Cabinet Secretary

**David R. Catanach, Division Director**  
Oil Conservation Division



May 25, 2017

COG Operating LLC  
Attn: Ms. Debora Wilbourn

ADMINISTRATIVE NON-STANDARD LOCATION

**Administrative Order NSL-7535**

**COG Operating LLC**  
OGRID 22937  
**Smalls Federal Well No. 7H**  
**API No. 30-025-43068**

**Non-Standard Location**

**Proposed Location:**

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	190` FSL & 2010` FWL	N	28	22S	34E	Lea
Penetration Point	578` FSL & 1385` FWL	N	28	22S	34E	Lea
Final perforation	336` FNL & 1330` FWL	C	28	22S	34E	Lea
Terminus	261` FNL & 1328` FWL	C	28	22S	34E	Lea

**Proposed Project Area:**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E/2 W/2 of Section 28	160	WC-025 G-06 S223421L; Bone Spring	97922

Reference is made to your application received on March 1, 2017.

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 to be located at least 330 feet from outer unit 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 the proposed unorthodox location is necessary in order to access and recover oil and gas reserves from the 2<sup>nd</sup> Bone Spring interval within the W/2 of Section 28 that may otherwise not be recovered by wells drilled at standard locations within the W/2 W/2 and E/2 W/2 of Section 28, thereby preventing waste.

It is further understood that the interest ownership within the W/2 of Section 28 is common throughout, and that notice was provided to all other affected offset tracts.

Pursuant to the authority conferred by Division Rule 19.15.15.13 (B) NMAC, the above-described unorthodox location is hereby approved.

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.



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**DAVID R. CATANACH**  
**Director**

DRC/lrl

cc: Oil Conservation Division – Hobbs District Office  
Bureau of Land Management – Carlsbad