

State of New Mexico
Energy, Minerals and Natural Resources Department

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Governor

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Oil Conservation Division



April 16, 2018

Debora Wilbourn
COG Operating, LLC
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NON-STANDARD LOCATION

Administrative Order NSL-7690

COG Operating, LLC. [OGRID 229137]
Dominator 25 Federal Com Well No. 703H
API No. 30-025-Pending

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	280` FSL & 1260` FEL	P	25	25S	33E	Lea
Penetration Point	330` FSL & 1310` FEL	P	25	25S	33E	Lea
Final perforation	330` FNL & 1310` FEL	A	25	25S	33E	Lea
Terminus	200` FNL & 1310` FEL	A	25	25S	33E	Lea

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E/2 E/2 of Section 25	160	Hardin Tank; Wolfcamp	96658

Reference your application received March 13, 2018.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. Subsection A of 19.15.15.9 NMAC governs this pool and provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary. This location is unorthodox because it is too close to the western boundary of the unit.

This well's completed interval is as close as 10 feet from the western edge, and 330 feet on the diagonal of the penetration point and as close as 10 feet from the western edge, and 330 feet on the final perforation location of the project area and therefore will cause an encroachment toward the following tracts:

Section 24, T25S R33E, encroachment to the SW/4 SE/4
Section 25, T25S R33E, encroachment to the W/2 E/2
Section 36, T25S R33E, encroachment to the NW/4 NE/4

OCD understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (2) of Subsection A of 19.15.4.12 NMAC, in all adjoining units towards which the proposed location encroaches.

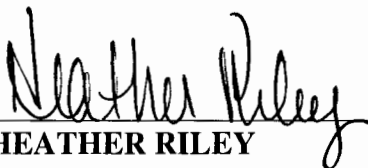
OCD also understands you seek this location to provide adequate spacing for the planned spacing test and will allow economic recovery along with co-development of other wells in the section. By testing the viability of simultaneous development on reduced spacing within a single interval, you attempt to maximize recoverable resources from the interval and minimize waste created should you not simultaneously develop these targets.

Your application has been filed under 19.15.15.13 NMAC and Paragraph (2) of Subsection A of 19.15.4.12 NMAC.

Pursuant to Subsection B of 19.15.15.13 NMAC, OCD approves the above-described unorthodox location.

The above approvals are subject to your following all other applicable OCD rules.

Jurisdiction of this case is retained for the entry of further orders as OCD deems necessary.


HEATHER RILEY
Director

HR/mam

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