

Approved

NSL

Order

Approved: 11/21/19

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Cabinet Secretary

Adrienne E. Sandoval, Director
Oil Conservation Division



November 21, 2019

Ms. Robyn Russell
Russell@concho.com

NON-STANDARD LOCATION

Administrative Order NSL-7960

COG Operating, LLC. [OGRID 229137]
Pickelhaube State Well No. 602H
API No. 30-025-46405

Proposed Location

	Footages	Unit/Lot	Sec.	Twsp	Range	County
Surface	330 FNL & 1286 FWL	D	36	24S	34E	Lea
First Take Point	100 FNL & 1485 FWL	C	36	24S	34E	Lea
Last Take Point	100 FSL & 1485 FWL	N	36	24S	34E	Lea
Terminus	50 FSL & 1485 FWL	N	36	24S	34E	Lea

Proposed Horizontal Units

Description	Acres	Pool	Pool Code
E/2 W/2 of Section 36	160	Red Hills; Bone Spring, North	96434

Reference is made to your application received on October 31, 2019.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. 19.15.16.15(B)(1)(a) NMAC governs this proposed well and provides that the operator shall dedicate to each horizontal oil well a standard horizontal spacing unit that comprises of one or more contiguous tracts that the horizontal oil well's completed interval penetrates, each of which consists of a governmental quarter-quarter section or equivalent.

This well's completed interval is as close as 165 feet to the western edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 36, encroachment to the W/2 W/2

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in 19.15.2.7(A)(8) NMAC, in all adjoining units towards which the proposed location encroaches.

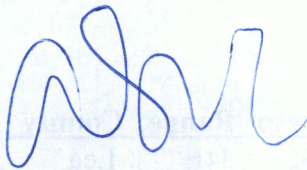
Division understands you seek this unorthodox location in order to optimize resources to improve well economics for your horizontal well, thereby preventing waste within the Wolfcamp formation underlying the E/2 W/2 of Section 36.

Your application has been filed under 19.15.16.15(C)(6) NMAC, 19.15.15.13 NMAC and 19.15.4.12 (A)(2) NMAC.

Per 19.15.15.13 (B) NMAC, Division approves this unorthodox location.

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

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



ADRIENNE E. SANDOVAL
Division Director

AES/lrl

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