State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

John Bemis Cabinet Secretary

Brett F. Woods, Ph.D. Deputy Cabinet Secretary Jami Bailey
-Division Director
-Oil Conservation Division



June 26, 2012

COG Operating, LLC Attn: Ms. Kelly J. Holly

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-6649 Administrative Application Reference No. pTGW12-15748207

COG Operating, LLC OGRID 229137 Taylor D Well No. 18 API No. 30-025-40545

Proposed Location:

Footages	Unit	Section	Township	Range	County
1560 FSL & 990 FEL	I	9	17S	32E	Lea

Proposed Unit:

Description	Acres	Pool	Pool Code	
NE/4 SE/4 of Section 9	40	undesignated West Maliamar: Yeso	44500	

Reference is made to your application received on June 5, 2012.

You have requested to drill or re-complete this well at an unorthodox oil well location described above, in the referenced pool or formation. This location is governed by statewide Rule 15.9.A [19.15.15.9.A NMAC], which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary. This location is less than 330 feet from a unit boundary.

Your application has been duly filed under the provisions of Division Rules 15.13 [19.15.15.13 NMAC] and 4.12.A(2) [19.15.4.12.A(2) NMAC].

It is our understanding that you are seeking this location to avoid interference with existing electric power lines.

It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 4.12.A(2), in all adjoining units towards which the proposed location encroaches.

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Pursuant to the authority conferred by Division Rule 15.13.B, 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 5.9 [19.15.15.9 NMAC].

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

Jami Bailey

Director

JB/db

cc: New Mexico Oil Conservation Division – Hobbs

New Mexico State Land Office