

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Susana Martinez**  
Governor

**John Bemis**  
Cabinet Secretary

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

**Jami Bailey**  
Division Director  
Oil Conservation Division



October 10, 2012

COG Operating, LLC  
Attn: Ms. Kelly Holly

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

**Administrative Order NSL-6690**  
**Administrative Application Reference No. p12-26962786**

**COG Operating, LLC**  
OGRID 229137  
**Skelly Unit Well No. 701**  
**API No. 30-015-40757**

**Proposed Location:**

	Footages	Unit	Sec.	Twsp	Range	County
Surface	1262 FNL & 2274 FWL	C	21	17S	31E	Eddy
Penetration Point	1101 FNL & 2610 FEL	B	21	17S	31E	Eddy
Terminus	990 FNL & 2310 FEL	B	21	17S	31E	Eddy

**Proposed Project Area:**

Description	Acres	Pool	Pool Code
NW/4 NE/4 of Section 21	40	Fren; Glorieta-Yeso	26770

Reference is made to your application received on September 24, 2012.

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 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, and Rule 15.16.14.B(2) [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 less than 330 feet from an outer boundary of the project area.

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 due to a change in the directional drilling plan.

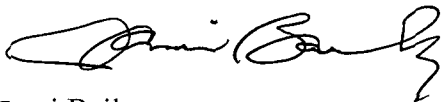
It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

Pursuant to the authority conferred by Division Rule 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,

A handwritten signature in black ink, appearing to read "Jami Bailey", with a stylized flourish at the end.

Jami Bailey  
Director

JB/db

cc: New Mexico Oil Conservation Division – Artesia  
United States Bureau of Land Management