

State of New Mexico  
Energy, Minerals and Natural Resources Department

**Susana Martinez**  
Governor

**David Martin**  
Cabinet Secretary-Designate

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

**Jami Bailey, Division Director**  
Oil Conservation Division



May 17, 2013

COG Operating, LLC  
One Concho Center  
600 W. Illinois Avenue  
Midland, TX 79701  
Attn: Kelly Holly

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

**Administrative Order NSL- 6803**  
**Administrative Application Reference No. pPRG1311355431**

**COG Operating, LLC.**  
OGRID 229137  
**Tex Mack 11 Federal Well No. 116H**  
**API No. 30-015-41346**

**Proposed Location:**

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	1525 FSL & 330 FWL	L	11	17S	31E	Eddy
Penetration Point	1650 FSL & 339 FWL	L	11	17S	31E	Eddy
Terminus	1650 FSL & 330 FEL	I	11	17S	31E	Eddy

**Proposed Project Area:**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
N1/2 S1/2 of Section 11	160	Fren; Glorieta-Yeso, East	97213

Reference is made to your application received on April 23, 2013.

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 the proposed surface location is 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 surface location approval due to existing subsurface infrastructure (buried pipeline) in the vicinity of the proposed original location.

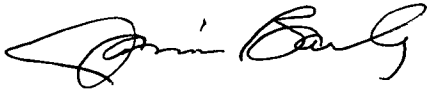
It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 4.12.A(2), in all adjoining units towards which the proposed location encroaches.

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, cursive script.

Jami Bailey  
Director

JB/prg

cc: New Mexico Oil Conservation Division – Artesia District Office  
Bureau of Land Management - Carlsbad