

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Susana Martinez**  
Governor

**David Martin**  
Cabinet Secretary-Designate

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

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



May 31, 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-6812**  
**Administrative Application Reference No. pPRG1312757152**

**COG Operating, LLC.**  
OGRID 229137  
**RJ Unit Well No. 190**  
**API No. 30-015-Pending**

**Proposed Location:**

| <u>Footages</u>    | <u>Unit</u> | <u>Section</u> | <u>Township</u> | <u>Range</u> | <u>County</u> |
|--------------------|-------------|----------------|-----------------|--------------|---------------|
| 1307 FNL & 660 FEL | A           | 34             | 17S             | 29E          | Eddy          |

**Proposed Unit:**

| <u>Description</u>      | <u>Acres</u> | <u>Pool</u>                 | <u>Pool Code</u> |
|-------------------------|--------------|-----------------------------|------------------|
| NE/4 NE/4 of Section 34 | 40           | Grayburg Jackson; SR-Q-G-SA | 28509            |

Reference is made to your application received on May 2, 2013.

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 unit boundaries.

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 an existing pipeline and an electrical service line within the unit that restrict surface use.

May 31, 2013

Page 2

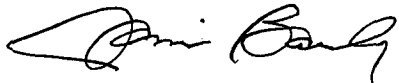
It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

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". The signature is fluid and cursive, with the first name "Jami" and last name "Bailey" clearly distinguishable.

Jami Bailey  
Director

JB/prg

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