

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



June 5, 2013

COG Operating, LLC  
Attn: Mr. Brian Maiorino

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

**Administrative Order NSL-6816**  
**Administrative Application Reference No. pPRG1313560843**

**COG Operating, LLC**  
OGRID 229137  
**Canvasback 13 Federal Well No. 3H**  
**API No. 30-015**

**Proposed Location:**

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	190 FNL & 1470 FEL	B	13	24S	31E	Eddy
Penetration Point	346 FNL & 1471 FEL	B	13	24S	31E	Eddy
Terminus	330 FSL & 1470 FEL	O	13	24S	31E	Eddy

**Proposed Project Area:**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W/2 E/2 of Section 13	160	Cotton Draw; Bone Spring	13367

Reference is made to your application received on May 10, 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 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].

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It is our understanding that you are seeking this location for engineering reasons.

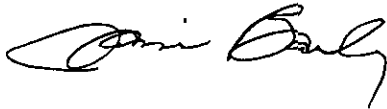
It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

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", written in a cursive style.

Jami Bailey  
Director

JB/db

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