

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Susana Martinez**  
Governor

**David Martin**  
Cabinet Secretary

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

**David R. Catanach, Division Director**  
Oil Conservation Division



November 13, 2015

COG OPERATING, LLC  
Attn: Ms. Robyn Odom

ADMINISTRATIVE NON-STANDARD LOCATION

**Administrative Order NSL-7355**  
**Administrative Application Reference No. pMAM1529649968**

**COG Operating, LLC**  
OGRID 229137  
**Grave Digger State Com. Well No. 8H**  
**API No. 30-015-43397**

**Proposed Location:**

|                   | <u>Footages</u>      | <u>Unit/lot</u> | <u>Sec.</u> | <u>Twsp</u> | <u>Range</u> | <u>County</u> |
|-------------------|----------------------|-----------------|-------------|-------------|--------------|---------------|
| Surface           | 170` FSL & 1610` FWL | N               | 2           | 20S         | 25E          | Eddy          |
| Penetration Point | 330` FSL & 1600` FWL | N               | 2           | 20S         | 25E          | Eddy          |
| Final perforation | 350` FNL & 1550` FWL | 3               | 2           | 20S         | 25E          | Eddy          |
| Terminus          | 330` FNL & 1550` FWL | 3               | 2           | 20S         | 25E          | Eddy          |

**Proposed Project Area:**

| <u>Description</u>   | <u>Acres</u> | <u>Pool</u>                    | <u>Pool Code</u> |
|----------------------|--------------|--------------------------------|------------------|
| E/2 W/2 of Section 2 | 160.6        | N. Seven Rivers; Glorieta-Yeso | 97565            |

Reference is made to your application received on October 21, 2015.

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 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 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 closer to outside boundaries of the proposed project area than any location that would be a standard location under the applicable pool rules.

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

It is our understanding that you are seeking this location because the original location was located to close to an existing well.


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 19.15.4.12 A (2) NMAC, in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 9.15.15.13 (B) NMAC, 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 19.15.5.9 NMAC.

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

DONE at Santa Fe, New Mexico, on November 13, 2015.

  
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DAVID R. CATANACH  
Director

DRC/mam

cc: New Mexico Oil Conservation Division – Artesia  
New Mexico State Land Office – Oil, Gas, and Minerals